

The NATIONAL UNDERWRITER



GENERAL
REINSURANCE CORPORATION

Casualty
Fidelity - Surety

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

THURSDAY, SEPTEMBER 19, 1940

MOBILITY

In keeping with the modern trend **LOYALTY GROUP** maintains a highly mobile Field Service Unit, ready at a moment's notice to give expert assistance to Agents and Brokers in every community. Let **LOYALTY GROUP** help you with your production and underwriting problems!



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
Milwaukee Mechanics' Insurance Company

The Concordia Fire Insurance Co. of Milwaukee
Royal Plate Glass & General Ins. Co. of Canada
The Metropolitan Casualty Ins. Co. of N. Y.
Commercial Casualty Insurance Company

Western Department
844 Rush St.
Chicago, Illinois

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

HOME OFFICE
10 Park Place
Newark, New Jersey

Foreign Department
111 John St.
New York, New York

Canadian Departments
461 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

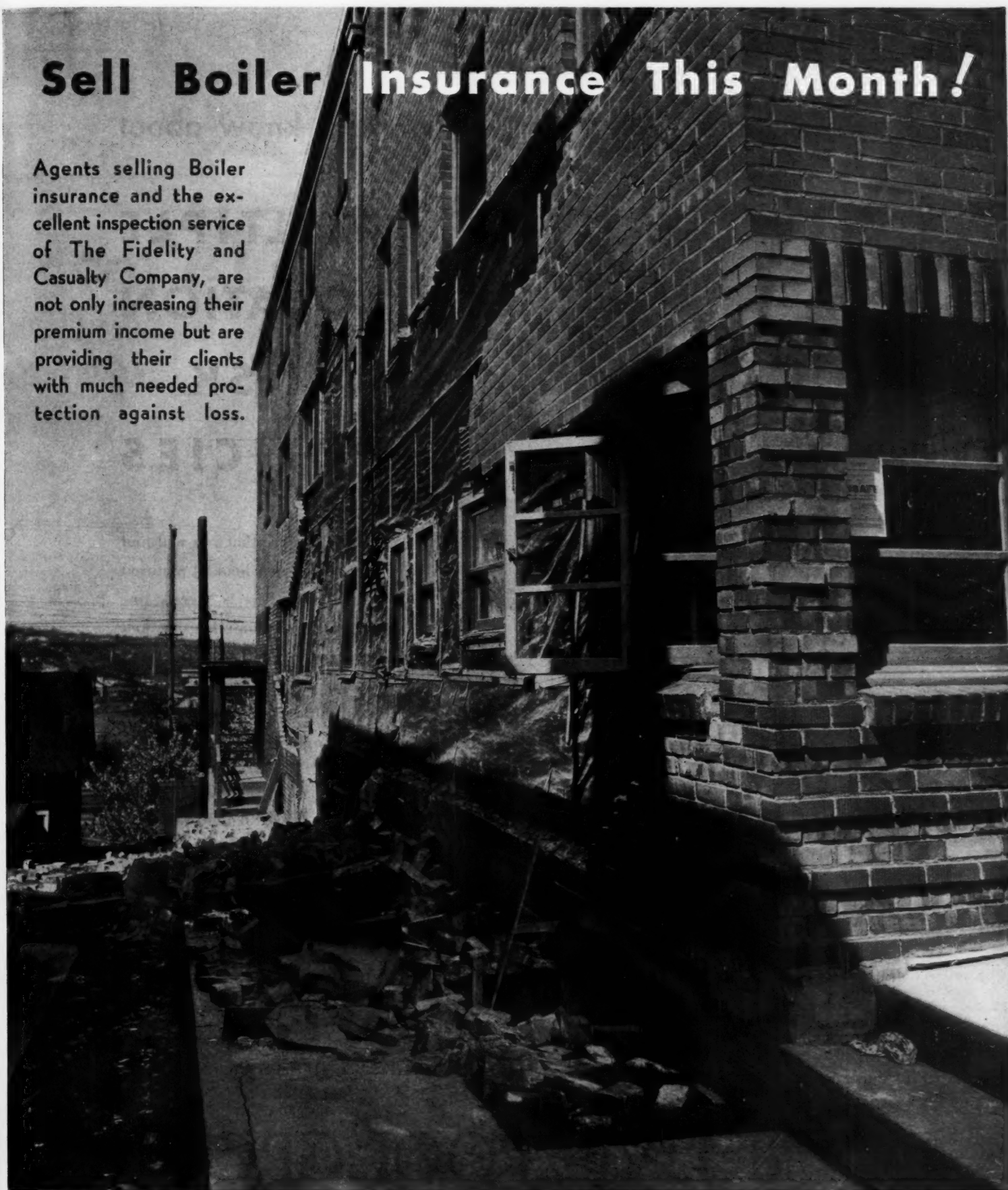
FIRE-MARINE-CASUALTY-SURETY

Loyalty Group

INSURANCE

Sell Boiler Insurance This Month!

Agents selling Boiler insurance and the excellent inspection service of The Fidelity and Casualty Company, are not only increasing their premium income but are providing their clients with much needed protection against loss.



America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

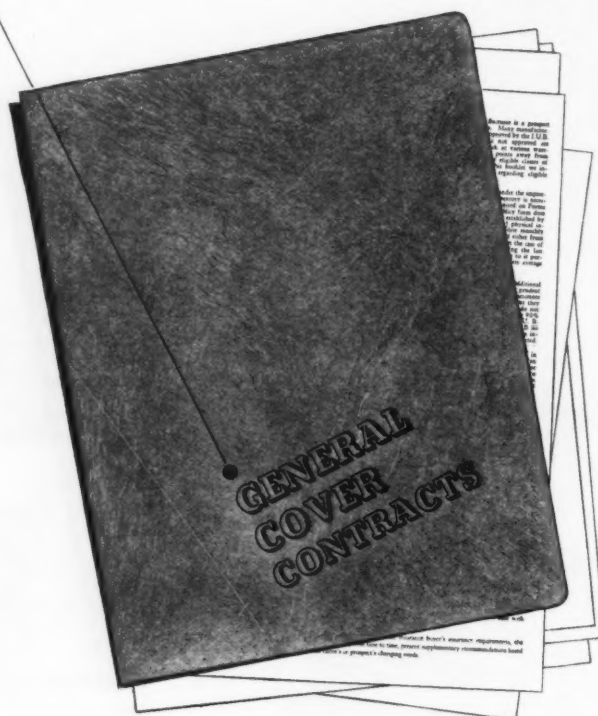
SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

... if there is anything you want to know about



MULTIPLE LOCATION RISK POLICIES

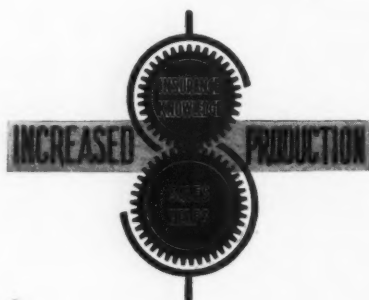
the chances are that you will find it in the 57-page booklet pictured at the left. This is merely one unit in the comprehensive and frequently-revised educational material freely placed at the disposal of agents who represent

The Index to this booklet covers 121 subjects—an indication of its comprehensive scope.

Companies of the Royal-Liverpool Groups.

"General Cover Contracts" contains brief explanations of the more important features of the various Reporting and Co-insurance Form General Cover Contracts, together with helpful comments on permissive endorsements and variations of the forms. A 36-page Appendix includes samples of each form written, together with adjustments, statements of values, application, and other essential data.

If you would like to examine a copy of this booklet, which is helping Royal-Liverpool agents toward increased production in a most profitable field, address Publicity Department,



ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

The NATIONAL UNDERWRITER

Forty-fourth Year—No. 38 CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 19, 1940 \$4.00 Year, 20 Cents a Copy

Local Agents in Annual Conclave

Sidney Smith Gives Report of the Administration

Particular Interest Shown in Reference to Graded Commission Question

BUFFALO—The report of the administration at the convention of the National Association of Insurance Agents here, treated the subjects of education, agents' licensing laws, financed auto insurance, compulsory automobile insurance, credit men, graded commissions, aid and comfort to cooperatives and membership. The report was delivered by President Sidney O. Smith of Gainesville, Ga., on behalf of himself, Vice-president Midyette, Chairman Menn and General Counsel Bennett. On none of these subjects was the administration able to give the final word.

Proposals for Education

As far as education is concerned, the association intends to "work out a thoughtful, reasonable and efficient plan to bring about an educational movement that will redound to the honor and benefit of the whole insurance industry." The officers of the association consulted with company executives and with academic leaders and have studied the situation so that the educational program "might proceed in sound and consolidated fashion," Mr. Smith said. There must be careful planning and the development should be gradual.

There is a distinction between education and sales promotion or propaganda and a course must be charted that is clear and consistent. There is more than one way in which insurance people may become educated in their business. The people must work at it in order to succeed. The one who is best equipped is the most likely to succeed and education is one factor of equipment, but that alone is not sufficient. Better educated men and women make for better business and a better educated production and supervising force will produce additional premium income.

Progress on Countersignature

As a result of conferences that have been held on the subject of uniform countersignature laws there is now general agreement, according to Mr. Smith, against specifying how the commission shall be divided between the producer originating the business and the countersigning agent and there is "general accord concerning the abandonment of countersignature practices by salaried company employees as applied to inter-

(CONTINUED ON PAGE 34)

W. H. Bennett Puts Glasses on National Capital

BUFFALO—Walter H. Bennett, general counsel of the National Association of Insurance Agents, in giving the keynote address at the convention here, dealt largely with insurance in its relation to federal developments and procedures. The subjects he touched upon included the national labor relations act, national defense program, United States Housing Authority, Home Owners Loan Corporation and agency licensing and countersignature laws.

Mr. Bennett referred to the issue of current importance that was raised by the action of the National Labor Relations Board seeking to compel John Hancock Mutual Life to comply with the federal labor relations law. Mr. Bennett said that the general counsel of the wage and hour division of the U. S. department of labor believes that the Supreme Court decision in Paul vs. Virginia is no longer applicable. This is the decision that held that insurance is not interstate commerce.

Relies on Countersignature Case

According to Mr. Bennett, the labor board is convinced that the recent opinion of Supreme Court Justice Frankfurter in the Virginia countersignature law case indicates that the NLRB will be upheld by the U. S. Supreme Court in the John Hancock Mutual case, if litigation should ensue.

If the labor board should get a favorable U. S. Supreme Court decision and the provisions of the wage and hour act are extended to embrace insurance agents, "it will only constitute one more federal burden placed upon the backs of those now heavily weighted down," he said.

Mr. Bennett sketched some of the important issues that arose in connection with the recently enacted \$5,000,000,000 additional defense appropriations bill.

He remarked upon the fact that in its final passage, the bill provides that the war and navy departments may waive payments and performance bonds in connection with contracts for public works that are undertaken on the cost plus a fixed fee basis. Mr. Bennett seems to feel that the bill also provides for elimination of insurance on the part of contractors. He bases that opinion on the fact that an amendment that was offered which would definitely have established insurance premiums as an allowable item of cost, was rejected. Some feel, however, that there is nothing in the bill to prevent normal insurance arrangements. Mr. Bennett recalled that in the debate on this amendment, one of the senators contended that it is necessary to surround the transaction with reasonable business prudence and ordinary business procedure and if that were not done "politics as big as the capitol is going to obtrude itself and the senate and the country will be humiliated."

The net result, according to Mr. Bennett, is that the \$5,000,000,000 appro-

priation can be spent without bonds or insurance. This is an indication of lack of "full efficiency on the part of the casualty and surety business companies and agents," he declared.

Mr. Bennett referred to another amendment that was offered to the appropriations bill and was rejected. It provided that any company insuring a contractor doing defense work under the act should be licensed in the state or territory where the contract is to be performed.

This amendment was offered, according to Mr. Bennett, because the National Association of Insurance Agents discovered that the authorities during the summer had negotiated with London Lloyds to provide the surety bonds in connection with a great amount of defense work in the Canal Zone.

"Astounding as that revelation was," he said, "it convinced us of the necessity of a movement at the place of origin which would preserve for insurance companies, admitted and complying with the laws of the several states, the business to which they were thus properly entitled."

Housing Authority Setup

The National Association of Insurance Agents recently obtained a slight concession from the legal and insurance department of the United States Housing Authority, Mr. Bennett reported. The USHA, he said, has agreed "to discontinue their pro-mutual activity and permit a local housing authority to consider local agency service as having a recognized value in the insurance on these properties." The USHA, heretofore, has recommended placing the fire and casualty coverage on local housing projects in a group of non-agency mutuals "at a supposed cost, ridiculously low." Mr. Bennett urged local boards in the various cities to keep constantly in touch with local housing authorities so as to prevent "unfair discrimination."

Mr. Bennett discussed at some length the HOLC-SCA question.

He referred to the hearing conducted in New York in July at which representatives of the SCA discussed their HOLC contract with a group of commissioners. Prior to that time, he said, the New Jersey attorney-general had given an opinion that the contract was illegal insofar as it provided for a 25 percent payment to the HOLC in connection with the commissions to be paid to agents.

Payment Is Not Rebate

Mr. Bennett said he took the position that the payment to the HOLC is not a "rebate" because rebate means to pay back a portion of the premium to the person originally paying the premium and this is not being done under the HOLC contract because it is the borrower who pays the premium.

Those opposing the contract brought

(CONTINUED ON PAGE 35)

National Agency Association Muster Busy in Buffalo

Pre-convention Activities Constituted a Master Gathering Alone

By C. M. CARTWRIGHT

BUFFALO—It seems most likely that R. W. Forshay of Anita, Ia., will be elected vice-president, although there is no concerted movement in his favor. He seems to be the logical candidate, as he has served three years on the executive committee, and has done a wonderful piece of work in getting the rural agents interested in the association movement, and providing them with educational matter and backing that are regarded as most valuable.

Oakland, Cal., will get the mid-year meeting in 1941 and it will be held, undoubtedly, in April. At the Wichita meeting the executive committee practically decided on Augusta, Ga. Other conditions subsequently arose which made it seem advisable to shift to Oakland. Scott Nixon of Augusta, who for many years has been urging the association to hold its mid-year meeting in his city gracefully acceded to the new demands, but made it clear that he expected to have the 1942 mid-year meeting in his city.

Denver and Kansas City are bidding for the 1941 annual meeting.

BUFFALO, N. Y.—This is a big week here in Buffalo from a local agency standpoint as the National Association of Insurance Agents is holding its annual meeting in this city. This is the fourth time Buffalo has been host to this convention.

At the time the National association met here in 1923 the program largely consisted of set addresses. There has been a great change in the body since then, both in its complexion, its activities, its machinery. At this convention, for instance, the executive committee started meeting last Friday and continued during Saturday, Sunday, Monday, Tuesday and called in special sessions even afterwards.

Preconvention Features

What might be termed the sideshows or the preconvention features of the National convention have become even more important than the general sessions. They started Monday morning with a special meeting where the profit motive and private enterprise were dis-

(CONTINUED ON PAGE 15)

Membership Reaches New Peak, Committee Reports

BUFFALO—Membership in the National Association of Insurance Agents is at an all time high. The report of the membership committee, indicating that the loss caused by the defection last year of the Ohio association, with over 1,000 members, has been more than made up, was probably the high point of the committee reports at the Boston convention. With the exception of the report of the educational committee, which was closely tied up with future plans of the association, the committee reports, as in the past, were circulated but were not read from the floor.

D. A. North, New Haven, Conn., member of the national executive committee, is chairman of the membership committee and his report brought out the pleasing fact that the National association now has 15,601 affiliated member agency firms. At the same time, Mr. North warned that the saturation point may have been reached in many localities and the association must now give attention to retaining its present strength.

History of Membership

At St. Paul in 1938, the National association reached what was then a peak of 15,141 members. Early in 1939, the Ohio association, then the second largest state body, withdrew. By heroic efforts, with several state associations showing phenomenal increases, the National association cut the potential loss of 1,000 down to 225, reporting a membership of 14,916 at Boston last year. This year's increase of 685 put the National association "over the top" and 460 members above its previous peak.

Mr. North did not announce specific state performances, but said that 31 of the 49 component associations showed net increases and that there were good and sufficient reasons for such decreases as were suffered. He said that there were no unusual local conditions which built up membership and that all sections of the country shared in the gain. The "minimum standards program for local boards" prepared by the membership committee has been submitted to the executive committee and Mr. North hoped to be able to announce it during the convention.

RURAL AGENTS

Under R. W. Forshay, a member of the national executive committee for the last three years, the rural agents committee has become one of the most prominent and active instruments of the National association and its annual report is always read with interest. Once more, Mr. Forshay was able to report increased recognition of the rural agents on the part of the National association and most state associations and the fact that rural agents have contributed a generous share of many membership increases.

Wherever they have been given an opportunity, rural agents have shown themselves keenly interested in education. Mr. Forshay referred to the successful series of rural agent forums conducted by the New Jersey association for two years and urged other state associations to follow this example. Rural agents have participated in schools, conventions and other activities of most state bodies. At the mid-year meeting of the National association at Wichita, a rural business discussion period was included in the main convention program.

Preparing Model Constitution

Mr. Forshay said that the rural agents committee is still working on a suggested constitution and by-laws for county boards, for which his committee has had many requests. Until it is completed, he suggested the short form local

board prospectus of the National association be used. State associations are continuing to organize county boards, North Carolina being the most outstanding. During the past year, five additional boards were formed, making a total of 53.

The final figures on the government's wheat insurance program verified the expectation of the committee that an extensive loss will be sustained and was encouraging to rural agents and companies writing hail insurance, as was President Roosevelt's veto of the bill to extend the federal crop insurance scheme to cotton. Rural agents have participated materially in issuing the coverage required by Commodity Credit Corporation on field grain. The previously uninsured 1938 corn crop is now included in this program.

Electrification Prospects

An additional allotment of \$100,000 has been extended to rural electrification and the National association's Washington office is advising state association offices and rural agent chairmen when projects are announced, Mr. Forshay continued. He advised every agent to secure the revised insurance handbook of the Rural Electrification Administration and reminded the members that required insurance must be arranged before the project is accepted.

Although it was hoped that the insurance requirements of the tenant purchase division of the Farm Security Administration would go back to local agents when the mutual group which previously had the line retired from it, Mr. Forshay reported that rating regulations and other difficulties made it impossible for the organization of stock companies to secure the business and that one single carrier [Houston Fire & Casualty] writes it. The rural agents committee is continuing to work on this and hopes for a satisfactory outcome.

Mr. Forshay warned the rural agents that compulsory automobile insurance is coming to the fore and should be of concern to them, with automobile deaths in rural areas increasing materially. He also urged rural agents and each state committee to assist in fostering rural fire protection facilities.

The report closed with the suggestion that state rural agent chairmen keep their material in permanent files which can be passed on to a successor, thus avoiding the difficulty experienced in the past of loss of valuable material due to a change in personnel.

Accident Report

J. J. Roe, Patchogue, N. Y., reported that agents are dealing with safety problems every day of their business careers

(CONTINUED ON PAGE 14)

Beard Is Elected Vice-president of Philadelphia Life

Announcement is made this week that Robert H. Beard of Chicago, head of the local agency of Robert H. Beard & Co., and manager of the Philadelphia



ROBERT H. BEARD

Life, has been elected vice-president of that company, the directors having acted Wednesday. He is one of the outstanding insurance men of the city, is prominent in activities outside of insurance and is a man gifted with all of the elements of salesmanship. Mr. Beard will remain in Chicago, as usual, looking after his insurance affairs, but will give considerable time to the Philadelphia Life, particularly in its agency and production departments.

Mr. Beard is a man of dynamic personality, who has been particularly successful as a producer. In fact, he started as a soliciting agent in Muskogee, Okla., 35 years ago. He operated his own office there, and went to Chicago 25 years ago, acting as broker and then joining the Chicago Board of Underwriters as a Class One agent. He produces a large business for leading fire and casualty companies. In his early years in insurance, he spent his time chiefly in soliciting surety bonds and casualty insurance, and then took on fire.

Agent of the Equitable

Some 20 years ago he became an agent of the Equitable Society. He was known as a large personal producer at once. Later he became Chicago manager of the Pan-American Life, and sub-

(CONTINUED ON PAGE 27)

Colorado Agents Name H. O. Wilber as New President

Strong Stand Taken on Current Issues—Californians Highlight Meeting

NEW OFFICERS ELECTED

President—Harold O. Wilber, Denver.

Vice-president—Harold B. Koster, Salida.

Treasurer—Floyd Padgett, Colorado Springs.

Secretary—Frank England, Jr., Denver.

COLORADO SPRINGS — With membership increased to an all-time peak and plans formulated for an extensive program of constructive activities, the Colorado Association of Insurance Agents at its annual meeting here took a determined stand on many important problems of the business.

Harold O. Wilber, past president of the Denver Association of Insurance Agents, was named president, succeeding D. U. Hampton of Colorado Springs.



Harold O. Wilber

The directors are Mrs. Belle Daring, Rocky Ford; Newton Medlock, Palmer Lake; Ralph Austin, La Junta; Lee Dierdorff, Fort Morgan, and Charles Schoelzel, president Denver Association of Insurance Agents.

Important Resolutions Adopted

Resolutions adopted covered a variety of issues ranging from qualifications of agents to recommendations for a new educational program. Commissioner Kavanaugh was commended for his co-operation with the association toward eliminating unqualified agents. It was stated that through information furnished by association members and through investigation by the department, licenses have been discontinued or refused to some 100 unqualified agents in the past year. The resolution declared that unless the evil of the promiscuous appointment of local agents is corrected, the entire American agency system will be destroyed.

Other resolutions deplored the failure of the companies to effect a complete and actual separation of local from general agencies; condemned branch offices which employ salaried solicitors or give office rent, phone and stenographic service to agents and recommended that local agents do business only with those companies which adhere strictly to the American agency system; deplored the writing of automobile business by the finance companies on a high commission scale and recommended a campaign by local agents to educate insurance buyers to the advantages of doing business with banks and companies that do not compete with local agents.

Contingent Commission Issue

On the matter of contingent commissions, which was the subject of a spirited battle between the association and the supervisory committee of the Rocky Mountain Fire Underwriters Association the past year, it was recommended that the association "continue its efforts to secure for the local agents of Colorado

(CONTINUED ON PAGE 13)

THIS WEEK IN INSURANCE

Annual meeting of the National Association of Insurance Agents is being held this week in Buffalo. **Page 1**

Sidney O. Smith covers wide range of subjects in giving report of the administration at the convention of the National Association of Insurance Agents. **Page 1**

W. H. Bennett, in Buffalo address, treats a number of important insurance questions arising out of developments and procedures in the federal government. **Page 1**

Membership of National Association of Insurance Agents at all-time high, other committee reports given. **Page 4**

Colorado Association of Insurance Agents elects Harold O. Wilber as president at annual meeting in Colorado Springs. **Page 4**

Semi-annual meeting of the Western Underwriters Association was held Tuesday and Wednesday at White Sulphur Springs, W. Va. **Page 5**

Charles H. Smith gives presidential address at mid-year meeting of Western Underwriters Association. **Page 5**

Hercules Powder Co., whose plant at Kenil, N. J., was destroyed by explosion and fire, was a self-insurer insofar as fire and explosion coverage is concerned. **Page 8**

Robert H. Beard, well known local agent and Chicago manager of the Philadelphia Life, has been elected its vice-president. **Page 4**

Announcement is made of the program of the casualty convention at White Sulphur Springs. **Page 21**

National Association of Insurance Agents surety committee working on blanket fidelity bond commission agreement. **Page 21**

Graded commissions on large premium was urged by company committee conferring with National Association of Insurance Agents leaders. **Page 21**

Schedule automobile liability policies announced by stock and mutual organizations. **Page 23**

E. W. Sawyer, National Bureau of Casualty & Surety Underwriters, points out need for all risk liability policy. **Page 23**

W. U. A. Head Calls for Enthusiasm for Principles

C. H. Smith Says Carelessness, Thoughtlessness Imperil Orderly Operation

WHITE SULPHUR SPRINGS, W. VA.—Charles H. Smith in his presidential address at the mid-year meeting of the Western Underwriters Association here made a magnificent appeal to the members to fight for the guiding principles of the association, even where the loss of business is involved, to eschew expedients, to realize that apparently small infractions of good underwriting practices have far-reaching effect. Mr. Smith, who is western manager of Hartford Fire, gave a most impressive message. Never was there a time, he said, when clear, straight thinking was more demanded than at this time and in the immediate future.

If the W. U. A. is to fulfill its full function, he said, it must have principles and they must be guiding principles of the members—principles for which they are willing to fight and to lose business, if necessary. These guiding principles should be based upon proper law, equity and justice. If the rules are not proper, they should be changed. They should certainly show the consensus of the membership. If they do not, there is a remedy, but the remedy does not consist of individual violation of rules.

Enthusiasm for Principles

"With proper rules, proper understanding," he declared, "these rules should be supported wholeheartedly by every member, not only because he is obligated as a gentleman to observe the rules, but because he believes they are for the good of his business. We need enthusiasm for principles in our business. No great thing has ever been accomplished without strong belief in principles."

"We need a lot of straight thinking. We may tell ourselves that we are doing very well and that we should leave well enough alone. How often do we hear

(CONTINUED ON PAGE 35)

Companies Able to Cover All Insurables

L. E. Falls Lauds Stability of Insurance and Confidence of Public

Insurance companies are stronger today than ever before and their capacities within conservative measurement, are more than adequate to carry the insurable values in this country, said Laurence E. Falls, vice-president American of Newark, in a talk, "The Value of an Insurance Agency Tomorrow," delivered before the Insurance Board of Summit County, Akron, O. There are more insurance companies in the United States over 100 years old than corporations in any other line of business, he added. They have attained this stability by the faithful discharge of their obligations to the public and by the absence of hysteria in emergencies.

Mr. Falls, in reviewing the record of insurance through the depression period since 1929, said that in this decade of financial strain, when many strong institutions collapsed under pressure or were forced to repudiate their obligations, only one small capital stock fire insurance company in this country failed. He was, no doubt, referring to the Home-seekers Fire of West Virginia.

Insurance Expenditures High in U. S.

Another measure of the acceptability of insurance by the public, he continued, is found in the proportion of America's expenses which it allots to insurance protection. America spends for insurance each year, a third as much as it spends for food, one-half as much as it spends for clothing, and more than it spent for government in any year prior to 1932.

The International Association of Credit Men learned that in a five year period the loss to credit institutions in the United States exclusive of banks and similar lending institutions, had been \$3,200,000,000. Upon checking the causes of these failures, Mr. Falls said, it was found that more than one-half of such loss was traceable directly to inadequate insurance carried by the debtors of these houses. The association therefore passed a resolution whereby creditors should be given an opportunity to obtain information with respect to insurance coverage and protection of customers.

Much of the value of insurance agencies, hereafter, will depend, Mr. Fall continued, upon the extent to which agents

National Brokers Group Executives Lay Plans for Year

NEW YORK—F. M. Hohwiesner of San Francisco, president National Association of Insurance Brokers, visited in this city for ten days, holding conferences with associations of insurance brokers and with individuals on the problems confronting brokers in all sections of the country.

This was a part of his three weeks' countrywide tour. At the meeting of all members of the executive committee of the national body who could be called into New York, a program for the new year was determined and combined efforts on several problems not heretofore considered as of national moment were undertaken.

H. E. Moore, president of the Massachusetts brokers organization, placed emphasis on national membership and urged that associations of brokers in other sections of the country, not now represented be invited to join. G. F. Sullivan, president of the New York metropolitan district group, sponsored an idea of having the office of the National association act as a clearing house between various associations of insurance brokers throughout the country on action taken on local problems. The idea is that much of the work accomplished by one association would be of tion and other bureau activities.

On a motion made by William Schiff, former president National association and director of the New York City group, it was agreed that a bulletin service be started immediately, keeping all associations acquainted with what the National association is doing on each problem. M. L. Nathanson, former president Brooklyn organization, urged that the National association take more active part in discussions with federal officials on such undertakings as Home Owners Loan Corporation and other bureau activities.

The meeting closed when Mr. Hohwiesner gave a report on what the associations are doing in the sections of the country that he has visited on this trip and spoke highly of the friendly feeling that exists among competing brokers and the interest expressed everywhere in the development of a strong national association.

realize their responsibility and grasp their opportunities to make insurance a handmaiden of credit. No agent can

(CONTINUED ON PAGE 27)

President Smith in the Chair for His First Gathering

Western Underwriters Association in Semi-annual Session at White Sulphur

By GEORGE A. WATSON

WHITE SULPHUR SPRINGS, W. VA.—While the semi-annual meeting of the Western Underwriters Association does not have the prestige or take on the interest of the annual gatherings, yet there is never a session of this body without important subjects being brought up either through committee reports, president's address or from the floor. The committee on order of business guides the proceedings in a way in that it lays out the agenda and suggests the topics that need attention. U. S. Manager F. W. Koeckert of the Commercial Union is chairman of that committee this year.

President Smith's First Meeting

This meeting served to inaugurate C. H. Smith of Chicago, manager of the Hartford Fire, in his new position as president inasmuch as this is his first session where he presided. Naturally the power behind the throne, the dynamo and guiding star of the W.U.A. is none other than Manager C. F. Thomas, who is always on the rostrum, seeing that the machinery moves in good order and that information is forthcoming when it is desired. Accompanying him to the meeting were Assistant Managers H. W. Chesley and E. H. Born and his private secretary, Miss Mabel Laycock.

There were no questions of outstanding prominence scheduled for the meeting but even at that much value came from it. The governing committee had not met recently and hence it was felt desirable to have two special meetings, one on Friday and one on Saturday. That brought quite a coterie here Friday morning.

It is unfortunate that the National Association of Insurance Agents scheduled its annual meeting at the same time

(CONTINUED ON PAGE 26)

FOUR HORSEMEN AT THE NATIONAL AGENCY CONVENTION



JUDGE B. MILLER, New York City Assistant Secretary



GEORGE W. SCOTT, New York City Assistant Secretary



WILLIAM T. REED, JR., Assistant Counsel



JEROME VAN WISEMAN, Director of Publications

Annual Convention of Mutual Men in Cincinnati

CINCINNATI—A plea for more and better education, broader, simpler, and more uniform policies; more reserves even though they seem redundant, and less competition and more cooperation was made by L. G. Purmort, Central Manufacturers Mutual, in his presidential address at the convention of the National Association of Mutual Insurance Companies here. More than 1,000 were present for the meetings of the association, the Federation of Mutual Fire Insurance Companies, and the Mutual Ad Conference, which met concurrently. Insurance, Mr. Purmort said, deals



L. G. PURMORT

with the future only. The best guide to the future is the past, he stated. There is danger of a socialistic insurance urge which should be met by active opposition, he declared.

The preparation for national defense, Mr. Purmort said, is most likely to bring the nation back to fundamentals. Long pay for short hours is on the way out and high prices for poor service are going along, he asserted.

Concentration of Wealth

The federal government has already taken some "pot-shots" at the life insurance companies and those in the fire and casualty business have thought that they may be next, the life companies being criticised for their alleged accumulation of wealth and economic power. There is no more wealth and concentration of power in the mutual companies, fire, life, or casualty, than there is concentration in the wealth and power of United States citizens, Mr. Purmort said. If government regulation doesn't strangle the business, a good future seems assured because of the natural improvement in general business and from the preparations for national defense.

Mr. Purmort said that membership was at an all time high since the association was organized at Des Moines in 1895. He outlined the activities of the association for its members in watching legislation, fire prevention and fire protection, and advertising and sales helps. He contended that there is a trend toward participating insurance in fire, life and casualty lines.

Secretary Cooper Reports

In his secretary's report, H. P. Cooper, Indiana Farmers Mutual, stated that there was a strong interdependence among all classes of mutual companies in facing the trying conditions of the present. Some people, he said, believe that national salvation depends upon guns, and ships, but it really is mostly dependent upon the people. Essential factors contributing to national safety are a harmonious, loyal citizenship,

unity in the national mind, and integrity in leadership.

Mr. Cooper said that the federal home loan banks were accepting mutual policies on properties on which they made loans.

The central office of the association has been giving much attention to developments in Washington, according to the report of H. P. Cooper, Jr., assistant secretary. The government is evidently desirous of subjecting insurance companies to the regulation of its wages and hour division, apparently over-riding the old Supreme Court decision that insurance is not interstate commerce. Mr. Cooper also referred to the National Labor Relations Board action regarding collective bargaining agreements between John Hancock Mutual Life and its agents in two cities. Letters have been sent to a number of companies informing them that they are violating the rules of the wages and hour division and furnishing a questionnaire on which they are expected to admit the division's jurisdiction, he said.

A Missouri company was forced to pay social security tax on its agents. Upon protest, the company was informed it was receiving favorable reconsideration.

F. D. Fowler, Indianapolis, treasurer, said that there is a substantial balance in the treasury. President Purmort said that the budget had been balanced last year and any objectors should make themselves known.

Convention committee chairmen appointed by Mr. Purmort were: F. J. Kotz, Richland Equity Mutual, credentials; R. J. Chase, Farmers Mutual of Orleans & Niagara, N. Y., memorial; W. E. Straub, Farmers Mutual of Nebraska, conference; H. F. Gross, Iowa Mutual Tornado, invitations; M. A.

W. H. Bennett Takes Issue with Benjamin Rush

BUFFALO—At the meeting of the National Association of Insurance Agents, during the delivery of the keynote address by W. H. Bennett, he interpolated a discussion of the recent address before the American Bar Association of Benjamin Rush, chairman of North America. He pointed out certain statements therein contained which he contended reflect adversely on the American insurance agents and charged that a public utterance such as made by Mr. Rush before an organization so important as the American Bar Association was harmful to the agents. At the conclusion of these remarks he read to the convention the following telegram to Mr. Rush:

"Current press reports quote your address before insurance section of the American Bar Association in Philadelphia in part as follows: 'In the United States fire commissions average about 22 percent and casualty commissions about 20 percent. It seems to me that to pay out one-fifth of every dollar that the assured turns in to the agents of insurance companies in order to put the business on our books is too much. I know for a fact that Great Britain does it much cheaper. In many instances the commission is as low as 5 percent.' If you have been correctly quoted, the National Association of Insurance Agents now in annual convention assembled at Buffalo, challenges your statement as ill advised and misleading. We deplore this attempt publicly to discredit the American agency system. We propose promptly to send corrective statement to officials of the American Bar Association, to whom copy of this wire is now being dispatched."

White, Fremont Mutual, Mich., resolutions; A. E. Anderson, immediate past

(CONTINUED ON PAGE 17)

Companies Provide for Service Men

Allowances to Those Called to Colors Are Based on Length of Employment

Apparently practically all of the Hartford insurance companies have decided to make about the same provision for employees that are called to the colors. Definite announcements have been made by Aetna Life and Aetna Fire and it is understood that the other companies are adopting about the same practice.

Those who have been with Aetna Life one year or less will receive one month's salary; those who have been with the company two years, will get two months' salary and three years, three months. Aetna Fire has the same scheme except that it provides one-half month's salary for those who have been with the company one-half year or less.

Provision is being made for continuing the group life insurance benefits of employees called into army service and group hospitalization benefits for dependents of employees.

Management Association Study

Equitable Society announced this week that it would allow one month's salary for one year's service with Equitable, two months' for two years and three months' for three years.

The American Management Association has just put out a pamphlet entitled "Company Policies Covering Long Term Military Service of Employees." It consists of a summarization of definite policies that have been adopted by 29 companies, two of which are insurance companies.

On the question of whether service men would be permitted to retain group insurance protection, 18 companies said that group insurance would be retained. However, various qualifications were noted such as: "Will be discontinued in case the man goes into active combat;" "If the insurance company will permit;" "As long as there is no increase in the ratio;" "Unless the problem becomes too extensive;" "If the individual keeps up his payments during his absence." Three companies declared that they would pay all premiums during the employee's absence and one company is considering a plan under which it would pay the premium on the difference between company insurance and any possible government insurance. If there is no government insurance, this concern would pay the entire premium if the insurer would permit. Three companies will cancel the insurance when the service man leaves and renew it when he returns.

Supplementing Army Pay

On the question of supplementing the service man's army pay by continuing any part of his company wages or salary, there was a great deal of difference. Most of the companies seem disposed not to make any such payments. According to the American Management Association, employers are taking into account the 1917 federal statute making it a misdemeanor to pay private compensation to persons in federal service. One company got an opinion from an attorney in the war department that the propriety of any benefit payments to service men is doubtful in view of this statute. However, this company believes that such payments will eventually be ruled proper.

During the 1917-18 war, many of the large companies paid all employees in the service the difference between their regular salaries and their army or navy pay and restored their jobs at the end of the war. They do not feel inclined to commit themselves to such a course now, because a permanent plan of compulsory military service is entirely possible. Also, the government has been very

(CONTINUED ON PAGE 11)



INFORMAL POSES AT BUFFALO CONVENTION OF N. A. I. A.:

Top row—L. C. Hilgemann, Milwaukee; A. S. Keys, Springfield, Ill.; P. B. Hosmer, Chicago.

Bottom row—G. A. Robinson, assistant secretary Hartford Fire; Mrs. Lillian L. Herring, secretary Illinois Association of Insurance Agents, and Grover Miller, Racine, president Wisconsin association.

Would Treat Auto Finance Business as Marine Risk

W. R. Ruegnitz, manager of the automobile and inland marine departments of Buffalo, writes as follows to THE NATIONAL UNDERWRITER, prompted by a recent address on automobile finance business by L. E. Falls, vice-president of American and president of the National Automobile Underwriters Association.

"In his statement on finance business as quoted in your issue of Aug. 8, Mr. Falls says: 'One conclusion looms unmistakably—most of the ills from which insurance agents and their principals, capital stock insurance companies, have suffered in the handling of automobile insurance, particularly for finance accounts, is a rate of commission high enough to tempt agents to share their commission with someone not in the insurance business, and not entitled to share in the commission.'

"If this conclusion were actually an unmistakable one, as Mr. Falls says, what would be the difficulty in reaching a solution? Unfortunately, the fact is that underlying the aspects that Mr. Falls has discussed so candidly is one that he has not mentioned—has perhaps not observed—possibly would not agree is the 'bug' that gives rise to the difficulty.

"That is—finance business is essentially installment merchandise business and should, accordingly, be written in our inland marine departments.

Question of Discrimination

"State insurance departments everywhere have made a considerable to-do about discriminating in favor of financed automobiles against automobiles fully paid for. Department rulings are based, as underwriters generally seem to understand it, upon an assumption that a financed automobile is essentially a risk comparable to an automobile not financed, and that financed automobiles accordingly should not be written at lower rates than are applicable to other automobiles. To be consistent the departments would rule, if they had the necessary authority, that not only the rates, but the commissions applicable, should be uniform; but only one insurance commissioner, to our knowledge, has ever undertaken to regulate commissions and his effort resulted in failure.

"To classify automobiles with washing machines and other chattels commonly sold on the installment plan, and accordingly assign them to the installment merchandise floaters, should not so greatly revolt our notions in respect of insurance procedure. The manifold troubles of the automobile finance companies have been with us without noticeable progress toward solution for all of the past 20 years. Nor are the various 'solutions' being considered today any better calculated to work out successfully than those of two decades ago.

"Let us then briefly examine the installment merchandise policy plan. First and foremost, you could put down the policy at its own appropriate rate of commission, enough for the agent only, with the clear understanding that no part thereof is to be passed on to the finance company. Second, the rate could be based upon the hazard of the individual finance account—(we will not here attempt to discuss the factors that would go to determine such rates). Third, the insurance premium passed on to the car buyer, though conceivably not quite the same as the premium charged upon a similar automobile not financed, should not, therefore, be regarded as constituting injuriously discriminatory. It is hardly fair to consider that this method of calculating the insurance premium involves an appreciable injustice; what goes on now and has gone on for 20 years is immeasurably worse.

"It is now 10 or 11 years since the

writer proposed, in the columns of THE NATIONAL UNDERWRITER, a solution of the finance problem somewhat along the lines of the foregoing. As a matter of fact, there is no reason why, if suitable forms and rates to carry out this plan are developed, the business need be allocated to the inland marine departments—it could still be written as 'automobile business.' In some states, however, calling it inland marine business would remove it from the jurisdiction of the state insurance department."

Program for Ohio Mutual Meetings

The program for the educational meetings for agents to be held by the Mutual Insurance Field Club of Ohio in five Ohio cities on successive days commencing Oct. 7 has now been completed. D. L. Wentz of Shelby Mutual Plate Glass & Casualty, and president of the field club, will give the welcoming talk. Then the members of the club will put on a skit entitled "The Right and Wrong Way." Following the luncheon, H. M. Hare of Northwestern Mutual Fire, will give a talk; C. D. Garvey, Pawtucket Mutual Fire, will talk on "Mutual Insurance and Cooperatives;" W. G. Schultz, Lumbermens Mutual of Mansfield, will talk on "Rates and Inspections;" E. J. Raabe, Central Manufacturers Mutual on "Marine Insurance"

and T. K. Mathers, Auto Owners, secretary of the club, "Building Your Agency with Casualty Insurance." The meeting Oct. 7 will be at Lima, Oct. 8, Dayton, Oct. 9, Columbus, Oct. 10, Mansfield, and Oct. 11, Canton.

Bennett Addresses Kiwanians

Walter H. Bennett, general counsel of the National Association of Insurance Agents, was the featured speaker at the Constitution Day meeting of the Kiwanis Club of Buffalo, Wednesday. He gave a stirring address in which he recalled the circumstances surrounding the creation of the constitution and the meanings that he finds in the constitution. He concluded that in this country the power is in the people and it is important that the people have opinions, desires, ideals, principles and suggestions to offer with respect to legislation and law enforcement.

Form Texas "1752" Club

A meeting sponsored by a group of field men representing agency mutual fire companies in Texas was held in Dallas to organize the Texas "1752" Club. E. P. Goetzinger, Indiana Lumbermen's Mutual, acted as temporary chairman and subsequently was elected president. R. J. Munn, Grain Dealers

Merge Hope and What Cheer of Factory Mutual Group

Two companies of the factory mutual group that have been operated under the same roof have now been consolidated. The entire outstanding liability of Hope Mutual Fire of Providence has been reinsured as of July 1 by What Cheer Mutual Fire. In recent years a number of such consolidations have taken place among factory mutual companies.

As at Dec. 31, 1939, Hope Mutual had assets of \$1,382,381, premium deposits \$627,115 and surplus \$738,522. What Cheer Mutual had assets of \$1,515,034, premium deposits \$627,115 and surplus \$854,758. Charles C. Stover is president and treasurer.

National Mutual, is vice-president; George B. Young, United Adjustment & Inspection Company, secretary; Ira R. Rupley, Citizen's Fund Mutual, treasurer; and J. D. Griggs, Implement Dealers Mutual Fire, and L. W. Gaskill, Mill Owners Mutual Fire, directors. The next meeting will be held in Dallas.

Read the **Casualty Insurer**. Sample copy 10c. A1946 Insurance Exchange, Chicago.

SHOWMANSHIP

will never die...



The show must go on—if sales must come in. So ring up the curtain on our advertising and merchandising plans—*especially prepared for you*. Act number one is a continuous national advertising campaign—in magazines reaching 2,000,000 prospects every month. Act number two is direct mail material with which you can follow up our national ads. And act number three is *The Employers' Pioneer*, our monthly house organ—filled with good constructive articles that show how to increase your sales with the help of our advertising.

Want a Couple of Ducats?

Simply write to our Publicity Department for some recent issues of our house organ *The Employers' Pioneer*. They'll give you front row seats for our sales promotion show. You'll see how Employers' Group Agents profit by it. No charge—the Pioneers are on the house.

The EMPLOYERS' GROUP



110 Milk Street, Boston, Mass.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED
THE EMPLOYERS' FIRE INSURANCE CO. — AMERICAN EMPLOYERS' INSURANCE CO.

Kenvil Munitions Plant Self-Insurer

No Fire or Explosion Cover Carried by Hercules Powder Co.

NEW YORK—Neither fire nor explosion insurance was carried on the plant of the Hercules Powder Co. at Kenvil, N. J., which was blown into match sticks by the explosion of 25 tons of smokeless powder, causing the death of some 35 employees and the serious injury of scores of others, a number of whom are not expected to recover. An unsuccessful effort to sell fire and explosion coverage to the Hercules company was made by a Wilmington, Del., agency some time ago. It is understood that the risk was assumed through the self insurance fund of Hercules.

As with the fire and explosion risk, the compensation and public liability hazards were self-insured. As far as could be determined no excess insurance was carried in this country. Property damage claims will be heavy on account of broken windows through a wide area.

The public liability rate for such a hazardous risk would be about 15 percent. As evidence of the attitude of casualty underwriters toward powder manufacturing and shell loading properties, all such risks are excluded from participation in the Workmen's Compensation Reinsurance Bureau, so that any company writing the business must make individual reinsurance arrangements.

Cause Is Not Known

Whether the destruction of the Hercules plant was the result of sabotage or was accidental will be known, if at all, only after thorough investigation.

That the plate glass insurers will be called upon for loss payments because of the explosion is taken for granted. During the world war plate glass rates throughout the area about Kenvil were materially advanced. Reductions were effected soon after the conclusion of hostilities.

Within recent years six major explosions in powder plants have occurred in the vicinity of New York, aside from that at Kenvil. The most serious from a property standpoint was that of the Black Tom munitions warehouses off Bayonne, N. J., July 30, 1916, when four persons were killed and the property loss estimated at \$45,000,000. The destruction of the Kingsland, N. J., plant of the Canadian Car & Foundry Co. occurred Jan. 11, 1917. The loss was about \$10,000,000 with no lives lost. The Oakdale, Pa., plant of Aetna Chemical Co. was destroyed by explosion May 18, 1918, resulting in the death of 200 persons and the injury of many others. The financial loss was placed at \$1,500,000. On Oct. 4, 1918 the shell-loading plant of the T. A. Gillespie property at Morgan, N. J., was destroyed in a two-day series of explosions, and on March 1, 1924 18 persons lost their lives in the destruction of the Nixon, N. J., plant of the Nixon Nitration Co. Lightning was the primary cause of the explosions that wrecked the ammunition depot of the navy at Lake Denmark, N. J., July 10, 1926.

Because of these explosions the plate glass writing companies paid in the aggregate several thousand claims, for which they were not reimbursed by the national government. A bill favoring such procedure that was introduced in Congress, failed of enactment.

Interest in Investigation

Fire underwriters are much interested in what the investigation may turn up. While the duPont company, by far the largest manufacturer of explosives, self-insures all its plants and the government carries no insurance on any of its

Howard Spencer New Head of Insurance Bar Group

Howard C. Spencer of Rochester, N. Y., was elected chairman of the insurance section of the American Bar Association to succeed John W. Cronin, general counsel Liberty Mutual, who becomes an ex-officio member of the council. Joseph H. Lewis, Ponca City, Okla., was elected vice-chairman and Clement F. Robinson, Portland, Me., was re-elected secretary. V. J. Skutt, Mutual Benefit Health & Accident, Omaha, and Prof. Edwin W. Patterson, Columbia University, were the two new members elected to the council.

plants and presumably will carry none on the large ones now in construction for the defense program, many of the processes of making modern explosives are the same as those used for making such harmless objects as automobile lacquers, plastics, and other products having a nitrocellulose base.

The chief point of interest about the Kenvil explosion from an underwriting standpoint is not that an explosion occurred, for these must be expected in a plant manufacturing high explosives, but that such a vast amount of damage was done in spite of what had been thought to be adequate protection in the way of barricades and separation of buildings.

Standard Tables Worked Out

Standard tables have been worked out to show how far apart various amounts of explosives must be stored in order that the concussion of one explosion will not be communicated to other places where explosives are stored. For example, if 10,000 pounds of TNT should explode it would not set off another lot of TNT provided the latter were stored at least the specified distance away. The Kenvil plant was thought to exemplify the latest procedure in separation of buildings. It also had a well worked out system of barricades, these being designed to divert the force of an explosion upward and keep it from spreading. These have proved so effective that experience has shown that a man standing 100 feet from an explosion is so well protected that he is not even knocked down, provided there is a barricade around the exploding building.

Interest Somewhat Academic

Interest of underwriters would be considerably greater if they saw much future possibility of writing insurance on manufacturers of explosives. In spite of the increase that is to be expected because of the defense program the amount of insurance to be written on plants of this type will probably be negligible, the reason being that either they will be built and operated by the duPont company, which self-insures, or built and operated by the government which carries no insurance. Some of the plants will probably be built by the government to be operated by the duPont company or some other manufacturer versed in making explosives. Another angle is that in spite of the large plant capacity expansion that is planned it is probable that only a small amount of manufacturing will be done on a "pilot" basis just to keep the plants running, actual mass production being deferred until there appear to be definite prospects of war.

Because the duPont company does such a large majority of the high explosives manufacturing underwriting executives are not eager to insure the relatively small number of non-duPont plants. Amounts to be covered are out of all proportion to the spread of risk available. Some experts believe that even if companies were to organize a pool to insure explosives plants it would be a poor gamble unless the duPont plants could also be covered.

While a major munitions plant explosion inevitably brings up memories of

W. Va. Outlaws HOLC-SCA Deal

But Missouri Department, Which Ordered Cancellation, Is Now Reconsidering

WASHINGTON—Commissioner Lucas of Missouri has suspended his order outlawing the Stock Company Association arrangement with the Home Owners Loan Corporation until he has had opportunity to look into the matter further and has authorized Gail Morgan, secretary and manager of the Stock Company Association Washington office to notify the membership to that effect. Mr. Lucas's order became effective immediately and threatened revocation of license of any company violating it.

Commissioner Sims of West Virginia has now issued an order finding the contract of the Stock Company Association with the Home Owners Loan Corporation illegal. He directs that either the contract be canceled or that the dwelling rates in West Virginia be reduced 25 percent and the policies to all householders "afford the same liberal policy provisions and conditions" as are afforded the HOLC by the contract.

Just a few weeks ago, the Wisconsin department directed that the HOLC-SCA contract be modified in many vital particulars and the Missouri department ordered the contract to be canceled.

Mr. Sims holds that the HOLC-SCA contract is in direct conflict with the standard fire policy insofar as the cancellation provision is concerned, mortgage clause, improvements and betterments, vacancy and proofs of loss.

The commissioner also alleges that the contract violates chapter 33, article 2, section 18 of the West Virginia code which prohibits making any kind of an insurance contract "other than as plainly expressed in the policy..." He charges that the 25 percent allowance that is made to the HOLC constitutes "an offer or inducement to insurance and creates a preference in favor of the HOLC as against all other insured in West Virginia..."

the Black Tom and Kingsland disasters during the first world war, in which sabotage was proved, no evidence has thus far been unearthed in the Kenvil explosion to point to sabotage. In fact, one explosion expert has pointed out that the manner in which the Kenvil explosion occurred makes sabotage rather unlikely since the saboteur would have been destroyed, whereas other methods could have been used which would have produced just as deadly results without the perpetrator losing his life.

In an explosion of the Kenvil type, where there is no definite evidence of sabotage and where much of the evidence is wiped out by the blast, the usual assumption is that because of the speed at which operations were being conducted and the lack of experience of some of the men taken on, it was not possible to maintain the same meticulous standards of care that are ordinarily exercised.

Example of First World War

This was the case during the first world war, not only in munitions plants but in other types of factories where war equipment was being made. However, it is in the plants handling high explosives on a large basis that a small error can be serious.

Plants handling explosives, even shell-loading plants, do not present anywhere near the insurance hazard that a large plant making the actual explosives does. Once it has been manufactured, even so deadly an explosive as TNT can be handled and even burned with no particular danger. It takes a definite concussion to set it off.

Federal Speaker



FRANK W. HANCOCK, JR.

Frank W. Hancock, Jr., Washington, D. C., member of the Federal Home Loan Bank Board, who will address the National Association of Insurance Agents at its last session, Feb. 19, has chosen as his subject, "Americans All."

Hail Writing Better in U. S., Off in Canada

With crops in most sections of the United States almost completely harvested, hail writing companies find that business as a whole has been good on everything. For hail the loss ratio has been unfavorable in Nebraska and Montana where storms in August were particularly heavy. With better than 90 percent of the wheat harvested in Canada, the companies will break about even on hail business. Business as a whole in the United States is better than it was last year, and in Canada, due to heavy storms, it is off in comparison with last year's figures.

MINN. RESULTS SATISFACTORY

MINNEAPOLIS—When hail insurance expired Sept. 15, companies writing that line in Minnesota closed their books on a highly satisfactory year. While volume did not set a record and in some offices was below other years recently, there was no complaint on this score and the loss ratio is expected to show up exceedingly well when final figures are in.

One company which writes a large volume of hail business in Minnesota estimates the loss at less than 25 percent. The principal losses came in July with little hail damage in August and none in September.

Constitution Re. Now Starts

Constitution Reinsurance has now actually started in business with its home office at 90 John street, New York, and an administrative office at 18 Washington place, Newark. The assets consist of \$1,000,000 cash. Capital is \$500,000 and net surplus \$500,000. The new company is expected to take over the business of the United States branch of Baltica of Denmark.

James Y. Milne, U. S. manager of Baltica and president of Eagle Fire of Newark, is president of Constitution Reinsurance. C. D. West, vice-president of Constitution, is also a vice-president of Eagle Fire. J. A. Heinze, vice-president of Constitution, is of the firm of Fester, Fothergill & Hartung, which has been sub-agents for Baltica. A. T. O'Rourke, secretary of Constitution, is assistant secretary of Eagle. H. C. Sonne of New York is chairman of the board.

Special Session on Profit Motive Draws Overflow

BUFFALO—One of the most profitable and popular innovations that the National Association of Insurance Agents has made in its annual program was the special meeting with panel discussion Monday morning on "The Profit Motive and Private Enterprise." The large room in which the meeting was held was entirely filled and the interest was maintained to the end.

W. Owen Wilson, Richmond, Va., former National president, presided. Those participating in the discussion were Attorney T. W. Bethea of New Orleans; F. L. Greeno, Rochester, N. Y.; J. M. Harrison, resident vice-president, Marsh & McLellan, Minneapolis; M. W. Mays, New York City, acting director Business Development Office; H. W. McGee, Los Angeles, president Profit Motive Institute; Walter Meiss, New York City, executive general agent London Assurance; A. B. Millard, Grand Rapids, Mich.; Ray Murphy, New York City, assistant general manager Association of Casualty & Surety Executives.

Definition of Profit Motive

An attempt was made to define profit motive as understood in the discussion. Mr. Murphy, for instance, declared it meant the right of the individual to obtain something for his product above cost. He said it meant capitalism in the hands of the individual instead of the state. Others declared that it centered on free and private enterprise. In the profit motive system business is done through invested capital, be it small or large. The profit comes through intelligence, industry and resourcefulness. In many ways it means the satisfaction of the acquisitive instinct. It satisfies the competitive instinct, but it should be subjected to reasonable restraint.

Speakers declared that people need some impelling motive to push them along. Every person should be allowed to make a profit and it should not be confined to any person or group. The public must decide whether it desires the capitalistic system in the hands of the people or in the state. In the capitalistic system the person takes a risk, and what he does is not sure. Every honest enterprise, therefore, should be entitled to earn a profit. Speakers held that the system is being encroached upon by the totalitarian plan. It was acknowledged that there are a few weaknesses in the system that come forth, and some do not justly earn a profit. This, however, should not condemn the system itself. All parties at interest in the transaction are entitled to profit. In this country the various social agencies have been developed out of the profit system, as for example, churches and schools.

Creates and Maintains Surplus

The profit system tends to create and maintain a surplus, while the consumer cooperative plan dissipates surplus. All right-thinking people are seeking higher standards of living. The capitalistic system stimulates people to greater work and effort. There are many motives that stimulate people, and hence there should be a reward for any honest endeavor. There should be perfect freedom and right for one to get his reward.

The question was asked whether the consumer cooperative system has raised the living in countries where it abounds, to American standards? Have other countries, where this system is in vogue, gone so far? The main question, after

all, it was decided, is how do people use the surplus created through the capitalistic system. Despite some abuses it must be granted that the profit motive is the prime cause of American achievements.

Development Through Profit Motive

Cases were cited where inventors were not impelled by the ambition of private gain. They got their thrill through discovery. However, the development of these inventions has been done through the profit motive. One of the speakers said that the vital question to ask is whether the profit motive is a valid dynamic in the American system of living to improve the conditions of people. Another speaker said that the question might be put, which is the better bait to spur us to greater effort—the profit motive or the consumer cooperative motive?

Relating the profit motive to insurance, speakers maintained that stock company agents are selling superior protection and service. In this country a person has perfect freedom to pick out

the line of business or endeavor that he likes best or chiefly appeals to him. There is a thrill in rendering genuine service in many different lines. It was brought out that in the United States an individual can make good, if he applies himself and he is not told what course he should follow.

Pays Its Own Way

Another speaker stated that the profit system pays its own way. There are no exemptions of any kind. It asks for no quarter or favors.

It was contended that the consumer cooperative movement is bringing into the economic system an entirely new idea and a new scheme of sociology. It was held that any one that joins the cooperative movement does so for profit for himself. The consumer cooperative movement is endeavoring to change the social and economic system that has built up this country. Local agents, it was stated, should bring before other lines of business that they are opposing just what these other businesses are opposing. It was contended that if a business organization that is working on the profit system purchases mutual insurance, it is inconsistent.

Wellington Potter of Rochester, N. Y., struck a vital note when he criticized insurance companies for purchasing merchandise and then selling it to

agents at a lower price than the latter would have to pay at a retail store. This is hitting at the basis of the profit system. Companies and agents, he said, that do this are nothing more than "chiselers."

Attention was called to the fact that mutual companies are allowed benefits and tax deductions and other features which the stock companies do not enjoy. One speaker said that one of the divisions of the Department of Labor sent to WPA workers in a franked envelope the suggestion that they patronize consumer cooperative enterprises. Therefore, a branch of the government was using funds to which all citizens contribute by way of tax in endeavoring to convince WPA employees to buy from cooperatives that are in competition with those selling goods or services on the profit system. It was held that the government should not destroy an opportunity of any class to make a living.

Urges No Mixed Agencies

Mr. Greeno said that before the depression, mutuals had about 5 percent of the premium income in the country, but now that ratio has been considerably increased. This, he said, was due to the fact that stock company agents are selling mutual insurance. Until there is a sharp division between the sheep and



YOUR COMPETITOR . . . *The man across the street? . . . Sure—but suppose we are suddenly called on to compete with a way of life and business which maintains deadly effectiveness at a price of human slavery? The only way we can meet this kind of competition is by increasing the efficiency of our free American way!*



OHIO FARMERS
INSURANCE COMPANY • Chartered 1848

Le Roy, Ohio

FOR RENT: 1 BRAIN

A graduate of The Travelers Training School with 5 years experience in the field, seeks a position as correspondent or advertising assistant. Sales minded. Single. Age 32. 5 years of college. Pleasantly cooperative. Address M-28, The National Underwriter, 175 West Jackson Blvd., Chicago.

the goats, this condition, he asserted, will prevail.

Mr. McGee said there should be a distinction between non-profit organizations and consumer cooperatives. The California Profit Motive Institute, he said, had listed the cooperative activities as follows, in order of the danger they were doing: (1) Consumer cooperatives; (2) buying clubs; (3) credit unions; (4) consumer research organizations; (5) market cooperatives. It was acknowledged, he said, that producers cooperatives are encroaching on the middle man's territory, as exemplified in the California Fruit Growers Exchange, which purchases merchandise for its members.

Barney Pearson of Washington, D. C., national director American System Council, gave an illustrated talk that he has worked out to explain the American way of life, basing the structure on the home, church and school, buttressed by business and other activities.

Buyers Group Starts Season

The first meeting of the season for the Association of Insurance Company Buyers was held at the Wampanoag Country Club in West Hartford, Conn. The members enjoyed golf during the day and then after dinner heard an address by F. L. Rowland, secretary of the Life Office Management Association, on "Relation of Office Management to Purchasing." The next meeting will be held Oct. 8 in Boston when Amos Hobbs of Massachusetts Bonding will be in charge of the meeting.

New Fire Prevention Movie

National Retailers Mutual of Chicago and Federal Mutual Fire of Boston, affiliated companies, have gotten out a fire prevention movie entitled "A Word to the Wise." It will be shown at the forthcoming mutual conventions in Cincinnati, Washington and Pittsburgh and at the National Safety Congress in Chicago. The production was supervised by T. L. Osborn, Jr., assistant secretary of National Retailers. It is directed against fires in dwellings. It is shown in 15 minutes.

E. J. MacDonald, general adjuster of the St. Paul Fire & Marine, is in a hospital at Brainerd, Minn., with a broken shoulder, the result of a fall while supervising some work on his cabin at Lake Hubert.

Conventions

Sept. 24-26—National Association of Mutual Insurance Agents, Wardman Park Hotel, Washington, D. C.

Sept. 30-Oct. 2—Ohio Agents, Hollenden Hotel, Cleveland.

Oct. 3-4—Pennsylvania Agents, Roosevelt Hotel, Pittsburgh.

Oct. 7-11—National Safety Congress, Stevens Hotel, Chicago.

Oct. 7-8—Missouri Agents, Connor Hotel, Joplin.

Oct. 7-8—Massachusetts Agents, Bancroft hotel, Worcester.

Oct. 7-10—Casualty Officials and Agents Convention, Greenbrier Hotel, White Sulphur Springs, W. Va.

Oct. 9-10—Kansas Agents, Bisonte Hotel, Hutchinson.

Oct. 10-12—Insurance Accountants Association, Endicott, N. Y.

Oct. 16—Maine Agents, Elmwood Hotel, Waterville.

Oct. 17-18—Ontario Agents, Royal York Hotel, Toronto, Can.

Oct. 17-18—Wisconsin Agents, Hotel Retlaw, Fond du Lac.

Oct. 18-19—New Mexico Agents, La Fonda Hotel, Santa Fe.

Oct. 24—Maryland Agents, Belvedere hotel, Baltimore.

Oct. 24-26—Illinois Agents, Faust Hotel, Rockford.

Oct. 28-30—California Agents, Blitmore Hotel, Los Angeles.

Oct. 29-30—Indiana agents, Indianapolis Athletic Club.

Nov. 1-2—Arizona Agents, Westward Ho hotel, Phoenix.

Nov. 8-9—Oklahoma Agents, Hotel Tulsa, Tulsa.

Dec. 2-4—National Association of Insurance Commissioners, Pennsylvania Hotel, New York City.

MILLERS NATIONAL IN NEW HANDSOME HOME OFFICE



One of the executive offices and the reception room in the new home office of Millers National and Illinois Fire on the second floor of the Board of Trade Building, Chicago, are shown above. The new home is at the foot of the LaSalle street financial district, the building seen through the window being the Federal Reserve building. The offices occupy practically all of the second floor, with about 20,000 square feet of space, and are handsomely appointed.

Sullivan Is Renominated for Washington Commissioner

SEATTLE—W. A. Sullivan, incumbent, won the Democratic nomination for Washington commissioner in last week's primaries. He polled a vote of 4 to 1 over his lone rival, George E. Stokes, Seattle life insurance man.

The Republican race developed into a nip-and-tuck fight between George B. Lamping, former Seattle port commissioner, and Fred C. Becker, assistant agency manager in Seattle of the Equitable Society. With 46 precincts to be heard from and the absentee ballots to be counted, Lamping had 66,922 votes, a lead of 1,185.

WILL REAPPOINT McCORMACK

NASHVILLE, TENN.—Governor Cooper has announced that he will reappoint all department heads for his next term beginning Jan. 1, which means that James M. McCormack will continue as insurance commissioner.

MUSGROVE LOSES IN GEORGIA

ATLANTA — Downing Musgrove, appointed to fill the unexpired term of

the late W. B. Harrison, comptroller general and ex-officio insurance commissioner of Georgia, was defeated for the full term by H. C. Parker of Statesboro in the Democratic primary, which is equivalent to election.

New York Directors Meet

BUFFALO—The officers and directors of the New York State Association of Local Agents met in Buffalo, Monday evening, in view of the fact that the National association was holding its meeting here at the same time. President T. A. Sharp of Rochester presided with J. W. Rose of Buffalo in the secretary's chair. The two subjects discussed were the proposed revision of the standard fire policy and compulsory automobile insurance legislation.

Missouri Trio Loses Plea

The federal court at Kansas City has denied pleas of T. J. Pendergast, R. E. O'Malley and A. L. McCormack to abate the charges of conspiracy to obstruction of justice and fraud on the court and these three men accordingly, must face trial on charges that grew out of the Missouri fire rate case settlement. In a conference with attorneys, Federal

Judge Wyman set the trial of the three defendants tentatively for late in November.

Baltimore Cork Plant Fire Loss Estimated at \$500,000

BALTIMORE—The largest and most spectacular fire in Baltimore in many years, with an estimated loss of \$500,000, involved nine acres of baled cork at the Highlandtown plant of the Crown Cork & Seal Company, consuming over 500,000 bales of cork which had been stored against war stoppage of shipments, and threatening to spread over the entire eastern section of Baltimore.

Sixty-two pieces of fire apparatus and 400 firemen fought the blaze. More than 20 firemen were injured. Investigation is being made as to the cause. It is thought the fire started from a spark from a switching engine.

J. J. Nagle, secretary-treasurer of the company, states the loss is fully covered by insurance and that there will be no interference with the company's operations, due to the main buildings having been saved. The insurance is handled by Poor, Bowen, Bartlett & Kennedy of Baltimore.

June 30, 1940 Statement Figures Filed in Georgia

	Capital or Deposit	Assets	Surplus		Capital or Deposit	Assets	Surplus
American Central	1,000,000	6,929,123	3,226,884	Manhattan F. & M.	1,000,000	3,266,570	1,212,300
American Druggists	750,000	2,182,639	1,158,292	Marine	200,000	5,561,174	3,568,289
American Eagle	1,000,000	17,243,569	12,094,150	Millers National		7,024,612	2,551,705
American Equitable	1,000,000	8,981,852	2,520,028	Monarch	819,336	3,129,908	524,265
American, N. J.	3,343,740	29,672,768	9,994,657	Motors Ins. Corp.	1,000,000	6,840,798	1,278,605
American Security	100,000	470,709	55,848	New York Fire	1,000,000	5,225,157	1,529,275
Albany	1,000,000	2,701,370	1,007,245	New York Under.	2,000,000	8,861,021	5,381,425
Allemania	1,200,000	5,174,901	2,120,861	Occidental	1,000,000	3,216,847	1,072,373
Anchor	1,000,000	2,557,752	783,217	Ocean Marine	1,000,000	4,542,883	2,240,509
Atlas		6,018,327	1,875,350	Old Colony	250,000	854,183	418,595
Boston	3,000,000	24,624,714	14,250,777	Orient	1,000,000	10,253,864	7,048,789
Camden	2,000,000	13,127,750	3,564,878	Pearl	1,000,000	6,098,220	2,989,929
Carolina	500,000	2,681,499	947,315	Piedmont Fire	1,000,000	17,065,346	9,762,926
Citizens, N. J.	1,000,000	3,440,362	1,959,347	Providence Wash.	1,000,000	2,808,815	668,163
Columbia Fire, O.	1,000,000	2,949,609	1,327,270	Providence Fire, N. H.	1,000,000	14,385,134	5,312,750
Connecticut Fire	1,000,000	22,970,553	14,354,732	Rochester American	1,000,000	2,384,858	914,612
Dixie Fire	1,000,000	2,051,191	747,075	Royal Exchange	500,000	3,787,291	1,785,403
Eagle-Star	500,000	6,184,351	2,630,993	Seaboard F. & M.	1,000,000	4,736,950	1,381,980
Eureka Security F. & M.	1,000,000	7,234,333	1,966,991	Sentinel	1,000,000	2,749,158	690,242
First American	1,000,000	4,558,716	2,449,687	Southern Fire, N. C.	200,000	2,625,506	1,171,690
First National	500,000	1,246,526	318,448	State Farm Fire	250,000	1,750,475	941,448
Franklin Fire	3,000,000	20,611,751	7,472,496	Thames & Mersey	250,000	824,411	171,474
Franklin National	1,000,000	4,144,653	2,323,732	Twin City	500,000	1,728,306	952,228
Glens Falls	2,500,000	18,422,637	6,129,550	Union Fire, Fr.	400,000	1,921,845	1,015,228
Globe & Republic	1,000,000	5,297,664	1,178,048	United States Fire	2,000,000	1,575,625	537,909
Halifax	200,000	2,480,964	1,611,803	Western Assur.	500,000	32,575,767	17,817,171
Hartford Fire	12,000,000	113,822,093	54,581,005	Westchester	1,000,000	4,152,159	2,082,307
London Assurance	400,000	8,894,663	4,280,733			17,064,478	8,242,618

Barthelmes Talks on Inland Marine

It is estimated that 50 percent of the inland marine volume written in this country is on the uncontrolled classes, A. W. Barthelmes, secretary North British & Mercantile, declared in a talk at the annual convention of the National Association of Insurance Agents in Buffalo this week. He discussed adaptation of inland marine covers to the particular risks. Mr. Barthelmes said the inland marine underwriters' individual "judgment" rating method must be sound, for the loss ratios are well within bounds, and seem to be several points lower than on the controlled classes.

Mr. Barthelmes urged agents to "tailor-make" the insurance to the customers' needs, rather than to force a "ready made" insurance coverage on the public as in the past, regardless of whether it fits or not.

Helps Solve Unusual Problems

He advised against turning a client down when there appears to be no standard way of handling his needs. Probably, he said, some form in the inland marine department will solve the problem and save not only that line but much allied coverage which otherwise would go to a producer better equipped to handle the unusual and freak risks. Many accounts have been thus lost, he said, due to the agent not knowing how to handle them, or "listlessly neglecting" to extend himself to find a market.

Mr. Barthelmes finds the women of the country present a great potential field, for they are estimated to own more than 50 percent of the invested wealth and at least 75 percent of life insurance payments go to them. He said at least 80 percent of home budget expenditures are made under their direction. He pointed out that women's fashions are responsible for many industries. Many inland marine coverages apply to the so-called "luxury" lines, such as jewelry and furs.

"It behooves us, therefore, not to overlook the insurance purchasing influence of women in our daily dealings," he said. "I believe that more women agents to develop these leads would be a good thing for our business."

Mr. Barthelmes said modern business methods demand modern insurance contracts, and inland marine makes a substantial contribution in filling that need.

"Let us bear in mind," he concluded, "that the purchaser of insurance is not interested in the lines of demarcation of writing powers within our business. He looks upon insurance as a whole. If he seeks complete, all over, all situation protection, we should through cooperation of our various divisions see that he gets it. By serving the customer, we serve ourselves."

Hartford Companies Agree on Treatment of Conscripts

(CONTINUED FROM PAGE 6)

specific in its statements that men with dependents will not be called in peacetime and hence the companies feel that the conscripts will not need as generous allowances.

Some companies seem to be withholding any decision until they have a better idea of how many employees they stand to lose temporarily. It has been noted that army officials maintained an attitude of disinterest during the congressional debates on the age brackets and, as soon as the conscription bill was passed, authoritative sources pointed out that it is not mandatory to spread the draft through the entire 21-35 group, the only requirement being that the call must be impartial among the age groups summoned. This has made many company men believe that the army will concentrate on the younger ages, perhaps not calling any men near the upper limit if the quotas can be filled by others. It also seems like a logical step, since the

announced purpose of the bill is to train an army for the future, rather than for immediate fighting. If this surmise is correct, the loss to the companies may be less than anticipated.

The call for the national guard and the almost certain summoning of reserve officers will undoubtedly cost the companies more in key men. It is believed that most companies will not adopt a general policy in these cases, but will treat each person on an individual basis. It is understood that very generous arrangements have already been made in some cases.

Some Companies Defer Action

While the Hartford companies, Great American and possibly several others have decided in more or less detail what provision they will make for conscripts most offices have merely prepared lists of employees, subject to the draft and have deferred final decision.

It is felt uniformity of policy, along broad lines at least, should be adopted, so that no company will be placed at a disadvantage with its competitors. In addition to direct employees, the companies must also take into account the employees of such affiliated enterprises as inspection and adjusting bureaus. There is general agreement as to re-engaging those drafted at the conclusion of their terms, although few companies will guarantee reappointment to positions previously held. It is not unlikely that a number of conscripts will prefer to remain in the army.

Pearl Case in Bay State Is Argued in Federal Court

BOSTON—The Pearl case came on for arguments in the federal court here with Supreme Court Justice Felix Frankfurter presiding. The question at issue is the refusal of Commissioner Harrington to relicense Pearl on July 1, on the statutory grounds that its U. S. manager, Oscar H. Carlsson, is not a United States citizen.

Basil O'Connor, for Pearl, argued chiefly that the action of the commissioner invades the fourteenth amendment of the Constitution in that it discriminates against aliens and especially against two classes of aliens, those admitted to Massachusetts prior to 1921 and subsequent to that year, when a statute was enacted requiring a U. S. manager of a foreign company to be a U. S. citizen. He argued that the statute allows too great extra-territorial interference with the affairs of aliens and that it violates treaties (1794 and 1815, specifically) between this country and Great Britain, with reference to property rights of aliens under the same amendment. He held that the commissioner should have allowed the company to enter the state under the management of a domestic corporation, on the board of which would have been two aliens.

To the latter proposition, Attorney

(CONTINUED ON PAGE 28)

Dramatic U. & O. Selling

A book sold by THE NATIONAL UNDERWRITER, "Dramatize U. & O. Selling," costs \$1. It is a sure fire use and occupancy insurance sales demonstrator, one that holds a prospect's interest from the start of the interview to the close. It clearly demonstrates the value of use and occupancy. It works just as well for the experienced U&O salesman as the beginner. The U&O sales demonstrator consists of four illustrated cards, printed in two colors, pocket size, complete set of instructions for its use and a pad of 50 estimate sheets for finding U&O insurable values.

J. M. Drinard has been appointed district agent at Norfolk, Va., by the State Farm companies. He was formerly assistant cashier of the Southern Bank & Trust Co., Richmond.

Get "Insurance Test Selling Plan," 10 cents. F. C. & S. Bulletins, 420 E. 4th St., Cincinnati.

FLUSHING THE QUARRY

As the hunter's bird dogs locate and drive the quarry into the open, so does Alliance national advertising seek to locate prospects for the Agent.

Each Alliance advertisement emphasizes the need of some specific coverage. With the interest sufficiently aroused, the prospect's natural reaction is a desire for more details and rates before the prospect becomes a buyer. To this end, each Alliance advertisement urges that he

"Ask the Alliance Agent"



THE ALLIANCE INSURANCE CO. of PHILADELPHIA

Head Office:—1600 Arch St., Philadelphia

New York Office:—99 John Street, New York City

Chicago Office:—209 West Jackson Boulevard

San Francisco Office:—222 Sansome Street

NEWS OF FIELD MEN

M. B. Warren to La.; Royal-Liverpool America Fore Revises Va. Setup

Royal-Liverpool Changes Announced in Mich., Kansas

The transfer of Marion B. Warren from Virginia to Louisiana as state agent of the America Fore, effective Oct. 1, will bring about a rearrangement of the Virginia field setup. State Agent Philip F. Brown, Jr., will handle the Fidelity-Phenix for the entire state, except Newport News, South Hill, Courtland and Staunton. Special Agent E. R. Dobbins will have the American Eagle and Niagara for the entire state and also the Fidelity-Phenix for Newport News, South Hill, Courtland and Staunton. Special Agent W. M. Goodman will succeed Mr. Warren in charge of the Continental for the entire state. America Fore engineering service will continue to be available to all Virginia agents through the Greensboro, N. C., office.

Heretofore Mr. Brown has been state agent of the Fidelity-Phenix and American Eagle, with Mr. Dobbins as special agent, while Mr. Warren has been state agent for the Continental and Niagara, with Mr. Goodman as special agent, all having headquarters at Richmond.

Mr. Warren supervised the Continental and American Eagle in Louisiana before being transferred to Virginia about 20 years ago. He also supervised Mississippi for the Continental. In returning to that field he will have his headquarters in New Orleans. At the September meeting of the Stock Fire Insurance Field Club of Virginia the members joined in wishing him success and voicing regret at losing his fellowship.

Season of Activities for Ohio Field Men Starts

CINCINNATI—More than 180 attended the annual dinner and fall outing of the Ohio Blue Goose. At the business meeting, the following goslings were initiated: E. E. Munn, Louis Binder, P. A. Tigner and F. A. Cotterman, Western Adjustment, and Clarence Doering, Underwriters Adjusting, all of Cincinnati. R. W. Hukill, Great American, past most loyal grand gander, gave the charge and reported on the Philadelphia grand nest meeting. H. F. Albershardt, Western Adjustment, welder, reported 422 members.

The Cincinnati baseball team, captained by Joseph Rielage, Ohio Audit Bureau, won the game 24-4, defeating the Columbus team captained by P. R. Lorey, Central of Baltimore. T. M. Geoghegan, president Cincinnati Fire Underwriters Association, presented the association's golf trophy given annually for low net in the golf tournament to W. W. Waters, Ohio Farmers.

P. F. Brown, Hanover, most loyal gander, presided at the dinner and business meeting.

Immediately preceding the outing, the Ohio field clubs held short business sessions. At the Ohio Fire Underwriters Association meeting, V. L. Montgomery, D. F. Gorski, and T. F. McMahon, North America, Cincinnati; D. J. Neal, National, Columbus; R. A. Nelson, Atlas, Cleveland, and Mr. Schweiss, Hartford Fire, Toledo, were admitted to membership. The resignation of C. S. Chandler, Great American, Cleveland, was accepted. Meeting dates for the next two months have been changed to Oct. 8 and Nov. 12.

General arrangements for the outing were handled by C. H. Garbutt, America Fore, assisted by J. F. Schweer, secretary Cincinnati Fire Underwriters Association. M. Van Haun, Western Adjustment, and G. H. Allen, Royal-Liverpool, were in charge of tickets and the dinner.

E. R. Hubbell, who has been traveling in eastern Michigan, except Wayne county, as state agent for the Royal-Liverpool groups, has been appointed regional manager for Michigan, except Wayne county, with headquarters in Detroit. A. Baude, superintendent in Wayne county for the groups, will continue to supervise activities in that area.

Shelby Holmes, state agent for Royal, Newark and Queen in northern Kansas, with headquarters at Wichita, is being transferred to the New York office as special representative of the brokerage, general cover and special service departments. C. J. Wintrol, former special representative of the inland marine department with headquarters in Kansas City, is being transferred to Wichita as state agent to assume the duties formerly handled by Mr. Holmes.

R. H. Petefish Iowa State Agent of North America

Russell H. Petefish has been appointed state agent in Iowa for North America. He takes the place left vacant by the death recently of George Holbrook. Mr. Petefish has been in Iowa for North America as special agent for the past two years. Field headquarters remain in the Fleming building, Des Moines. Associated with Mr. Petefish are C. E. Wilson, special agent, and D. J. White, special agent of Indemnity of North America. Mr. Petefish attended the University of Kansas at Lawrence and then started in insurance work 10 years ago with the Missouri Inspection Bureau. He went with North America in its engineering department in Chicago about four years ago.

Cassell Wins Blue Goose Golf

ROCK ISLAND, ILL.—G. A. Cassell, Chicago, state agent Caledonian group, was the winner of the Illinois Blue Goose final golf tournament at the Rock Island Arsenal Golf Club here. E. A. Schumacher, Decatur, state agent Union of Indiana, was the runner-up. The finals are played by the two high men from the Chicago contingent of the Illinois pond, the Peoria puddle and Dan T. Smith puddle.

Legion Speaker in Iowa

DES MOINES—Frank Miles, editor "Iowa Legionnaire," spoke at the Iowa Blue Goose luncheon on conscription and military preparedness to the Iowa fieldmen.

Lee Taylor, Commercial Union, secretary Iowa Fire Underwriters Association, was announced as the principal speaker at the Mt. Pleasant inspection Sept. 25. The annual duck dinner at Waterloo is set for Nov. 7.

Guests included Maurice Herrick of the Iowa department, R. H. Bartley of the Witmer-Kauffman-Evans agency, Des Moines; Steve Janco of National Fire, Chicago, and William Winkler, newly appointed special agent of the National in Iowa.

Cheshire to National Guard Duty

Col. Godfrey Cheshire, Raleigh, state agent Fidelity & Guaranty Fire in Virginia and North Carolina, has been ordered to active duty with his national guard regiment at Port Jackson, Columbia, S. C. He has been granted leave of absence for this period of training and will resume duties in his field. He has a long career in national guard affairs, having enlisted as a private in the third North Carolina infantry in 1910. He was overseas during the last war and commissioned

colonel in 1932 in command of the 113th field artillery. Col. Cheshire began his insurance career with the North Carolina Inspection & Rating Bureau in 1913, and was with the Bureau until he entered army service in 1917. He has served as special agent in North Carolina for numerous companies and joined Fidelity & Guaranty Fire upon its organization in 1929 as state agent for Virginia, North Carolina, South Carolina and Georgia.

Pacific National Field Rallies

Pacific National Fire conducted a conference in Chicago commencing Monday for field men from the middle western states. President F. N. Belgrano, Jr., was on hand from San Francisco and he was assisted by Vice-president W. L. Wallace of Philadelphia and Chicago and W. L. Greenway, western manager. There was a meeting during the day and that evening there was a banquet at which Mr. Belgrano presided. Field men remained in the city Tuesday for conferences with department heads and examiners and Messrs. Belgrano, Wallace and Greenway went on to Buffalo for the meeting of the National Association of Insurance Agents. Mr. Belgrano and Mr. Wallace will conduct a conference for eastern field men in Philadelphia Friday.

Okla. Preventionists Name Jones

John N. Jones, state agent Phoenix of England, has been elected secretary of the Oklahoma Fire Prevention Association, succeeding John Benson, New York Underwriters, who was elected a few weeks ago, but found it impossible to accept because of demands of other activities.

Cleveland Puddle Elects

The Cleveland Blue Goose puddle has elected Burt O. Evans, Glens Falls, big toad; George W. Keck, Royal-Liverpool, pollywog; John L. Magenheimer, North British & Mercantile, croaker, and O. R. Eylar, Underwriters Adjusting, bouncer.

Field Shifts in Georgia

Herbert Mell, southeastern Georgia special agent for the Royal, has been named Alabama and Georgia special agent for the Hanover Fire with headquarters at Atlanta, succeeding Carl Macklin, who resigned to become special agent in Florida for the Fidelity & Guaranty Fire.

Chicago Blue Goose to See Film

The Chicago contingent of the Illinois Blue Goose will have a luncheon meeting Sept. 30, at which Lew Fonseca, formerly manager of the Chicago White Sox, will present the American Baseball League film, "Touching All Bases." He is author and producer of this motion picture.

E. W. Elwell Speaks

COLUMBUS, O.—E. W. Elwell, U. S. manager Royal Exchange, spoke on "Public Relations" at a meeting of the Stock Company Speakers Association Sept. 16, opening the association's fall program.

J. W. DeCessna, Columbus, Queen, will speak next Monday on "Evaluation of a Field Man's Work."

Woman Special in N. C.

Miss Lottie Lee Beard of Rocky Mount, N. C., who will represent the Old Colony, is the first woman special agent ever appointed by a fire company in that state.

NEWS BRIEFS

The first fall dinner-meeting of the New Jersey Field Club will be held in Newark Sept. 23.

C. E. Bleckley, Topeka, Kansas state agent of the Northern, is traveling his field again following an absence of ten months as a result of a heart attack last fall. So far he is taking it a little

August Fire Loss Drops; Year's Total Below 1939

NEW YORK—Estimated fire losses for August were \$20,722,100 as compared with \$22,800,500 for 1939, according to the National Board. The total loss for the first eight months is estimated at \$211,114,380 as against \$211,153,730 for the same period of 1939. Following is the record by months for the last three years:

	1940	1939	1938
Jan.	\$ 36,260,650	\$ 27,615,316	\$ 27,676,337
Feb.	34,410,250	29,303,520	26,472,626
Mar.	29,788,800	30,682,168	29,050,968
Apr.	26,637,190	27,061,522	25,616,112
May	28,446,590	27,031,700	22,917,577
June	19,506,000	24,130,700	19,478,617
July	20,322,800	22,468,304	20,434,588
Aug.	20,722,100	22,800,500	20,821,184
Eight mos.	\$211,114,380	\$211,153,730	\$192,463,109

easy, using the trains, but expects to again use his car shortly. Mr. Bleckley has given up his outside activities, resigning as chairman of the Kansas B.D.O. committee in favor of George Shanks, Fireman's Fund.

A school to train deputy state fire marshals in fire prevention was held in Nashville by Commissioner McCormack in cooperation with the Tennessee Fire Prevention Association.

Harold Greenberg, general adjuster for Western Adjustment, will be the speaker at the quarterly meeting of the Illinois Fire Underwriters Association in Chicago Oct. 15. He will show his motion picture film of the Chicago terminal elevator loss. The executive committee has decided upon June 19-20 as the date and Lake Lawn Hotel, Lake Delavan, Wis., as the place for the 1941 annual meeting.

Buyers Group to Hold Meet in Chicago Dec. 5-6

The winter insurance conference of the American Management Association will be held in Chicago at the Palmer House, Dec. 5-6, it has been announced by W. A. Sullivan, Loose-Wiles Biscuit Company, vice-president of AMA's insurance division.

The Chicago meeting will consist of formal papers, question-and-answer sessions, and debates on current important insurance questions.

Such topics are being considered for discussion as bonding of corporation executives against corporate mistakes and errors of judgment; war risk insurance; insurance problems of personnel created by the conscription act; advertisers' liability in cases of libel; contractual liability, etc.

The association is canvassing buyers, brokers and underwriters to obtain further suggestions for topics for discussion and invites all interested persons to send their suggestions to its headquarters at 330 West 42nd street, New York.

Minor Heads Royal Golfers

The Royal Golfers of the Royal-Liverpool groups held their fall tournament at White Plains, N. Y. The Harold Warner trophy, awarded on the net score of the spring and fall tournaments, was won by A. H. Brown, while the winners of the fall tournament were E. A. Schiener, W. H. Ackerman and R. Schneider, Jr. These officers were elected: Claude Minor, president; George Bernard, vice-president; Robert Ratcliffe, treasurer; Herbert Harris, secretary.

Federal Gains 40% in Half Year

Premiums of Federal of Jersey City during the first half year were about 40 percent greater than during the parallel period of 1939. Assets at June 30 were \$21,787,786, premium reserve, \$2,950,055, capital \$4,000,000 and net surplus including voluntary reserve \$13,019,324.

Colorado Agents Name H. O. Wilber as New President

(CONTINUED FROM PAGE 4)

a fair adjustment of commissions based on the desirability of the business as to losses and the prompt payment of agency balances." The resolution commended the supervisory committee for permitting a representative of the association to sit with the forms and rules committee before changes are adopted and recommended that the Colorado association bring pressure on the National Bureau of Casualty & Surety Underwriters to take the same step.

The association recommended an appropriation for the insurance department of not less than \$50,000 a year, as compared to the present \$31,000; urged that mutual benefit associations and any other companies organized or doing business in Colorado and selling protection or protection combined with savings should be placed under the supervision of the insurance commissioner and recommended that no stock company should be permitted to operate in Colorado without at least \$25,000 capital.

Other resolutions urged the continuation of the program under which local agents are now meeting with credit organizations, suggested the formulation of an educational course which will attract additional membership and finally proposed consideration of plans for publishing an official organ.

California Plans Described

Highlight of the meeting was a series of talks by three officers of the California Association of Insurance Agents, President Harold Callis, Vice-president Harry Perk and Executive Secretary Frank Colridge, in which full details of their highly successful plan of operation were outlined.

Describing how the California qualification law was put across, Mr. Colridge declared: "One thing that must be remembered in sponsoring any legislation is that it has to be presented to the legislature from the standpoint of public interest involved, not on the basis of selfish interests. The consideration given insurance measures now presented to the California legislature is a result of recognition of that fact." He outlined the procedure under which insurance leaders in the state meet and formulate suggestions which are presented to the insurance department. The commissioner then holds meetings with the various branches and formulates a definite program which is presented to the legislature through his office. "Since the material comes from the office of the commissioner, who is recognized as a neutral party, it naturally gets more support than would otherwise be possible."

Commission Activity Dangerous

Asked what effect the California "declaration of guiding principles" has had on agency commissions, Mr. Perk said this question has not been involved. He urged agents to think well before demanding higher commissions. "We tread on dangerous ground if we get the commission level too high," Mr. Perk declared. "We also increase the interest in the business among curbstoners by attempting to raise the commission level beyond a certain mark. Some authorities actually believe that if we had a lower scale of commissions than is now in effect, vast numbers of unqualified producers would automatically disappear from the scene."

Mr. Callis credited a Colorado man, R. S. Brannen of Denver, with being one of the originators of the idea which led to formation of the National Association of Insurance Agents. Describing the experiences of the California group, Mr. Callis stressed the necessity for strength in membership in local, state and National associations.

At the close of the session, new officers were instructed to study carefully the California setup with the view of its future adoption in Colorado. The legislative committee was also instructed to work closely with the insurance department in formulation of a legislative

program for improvement of the Colorado law, an effort in which Commissioner Kavanaugh pledged his cooperation.

President Hampton's Address

D. U. Hampton of Colorado Springs, in his presidential address, said that capital stock fire insurance constitutes the basis of business credit because of the confidence in its record of solvency and the honorable discharge of its obligations. During the year he said there have been seven meetings of the board of directors. There was a meeting with the mountain supervisory committee when the agents presented to the company members through the agency association spokesman, Herbert Fairall of Denver, the suggestion that there should be additional commission on fire premiums. The supervisory committee was interviewed later at another conference represented by President Hampton, Secretary Frank England, Mr. Fairall and Harold Koster. W. N. Achenbach of Chicago, manager of the Aetna Fire, is chairman of the supervisory committee and he assured the members that he would report the details of the meeting to other members of his committee. However, the president said that he made no promise of action other than he agreed that if the agents had a flat commission of 20 percent straight across the board it would lessen the bookkeeping in both agency and company offices. President Hampton said that he is confident that the agents will get some relief along this line at an early date.

Recommends Salaried Secretary

The president said that the association cannot continue to operate under its present scale of dues, \$8.20 for an agency. Dues should be raised to not less than \$12 nor more than \$15 a year, he said. He also said that it is his opinion that the association should have a paid secretary. President Hampton said that all agents representing foreign companies should have clearly in mind the conditions under which they operate in this country, the safeguarding of their funds, the statutory provisions regarding their deposits. He said that in some respects the foreign companies that are licensed in the United States seem to be better regulated than some of the United States companies.

Casualty Insurance Must Be Sold

In an enlightening address in which he revealed how casualty insurance can be made to pay extra profits to local agents, K. F. Vasen, secretary-treasurer Commercial Standard of Fort Worth, pointed out that the solicitation of casualty insurance differs from fire in that assured generally are not as familiar with the coverages and the greater need for protection against casualty hazards.

"Fire insurance on property, contents and on automobiles is generally accepted as a real necessity," Mr. Vasen pointed out. "Yet there are at least six times as many burglaries as fires and 50 times as many automobiles are involved in accidents as burn or are stolen. The obvious conclusion is that casualty insurance must be sold by the agent; solicited and sold on the basis of real needs for the protection it offers."

In his talk on "Procedure on HOLC," R. D. Voss, district manager Stock Company Association, Omaha, declared that the interests of local agents are not adversely affected by the present setup. He described the four types of mortgaged properties in which the HOLC is involved and gave specific directions for procedure in each case.

Political Activity Urged

Commissioner Kavanaugh of Colorado urged agents to take a greater interest in their government, to get out and campaign actively for legislators who will represent their interests. He pointed out that under the Colorado law no insurer can contribute funds to any political organization or candidate but declared that there is no such law affecting the agents.

"It is up to you to fare forth and find out the best men running for office, especially for the legislature," the commissioner declared. "There is no prohibition in the law against agents or agents' associations protecting themselves in their livelihood."

"There is no reason why you and your fellow agents should not help elect men of intelligence and integrity to the legislature. We have had our fill of mountebanks seeking the front page at whatever cost to insurance and policyholders by pretended holy crusades."

Greetings Are Extended

Greetings were extended by W. J. Kulp, manager Mountain States Inspection Bureau, and R. M. Hill, manager Fire Companies Adjustment Bureau. Mr. Hill stressed the importance of honest service in modern adjustment technique. He pointed out that the truly efficient adjuster must not only adjust the individual loss but also handle it in such a way as to put additional business on the books for the agent and company he represents. C. W. Fletcher, president Mountain Field Club; C. F. Cashman, representing the Mountain States General Agents Association, and Wade Snider, representing the Mountain States Casualty & Surety Association, also extended greetings.

The banquet and dance Friday night and a Saturday luncheon given by the General Agents & Managers Association constituted the important social events of the convention.

The report of the fire and accident

prevention committee, given by Reeve Burton, Colorado Springs, showed that large scale fire and accident prevention work has been continued throughout the state, with a particularly extensive campaign in Colorado Springs.

The report of the membership committee revealed that the association now has 105 members, by far the largest membership in its history. It suggested that a committee be appointed to work out arrangements for holding a series of local meetings throughout the state and that a provision be made in the new budget to take care of the expenses involved.

Would Avoid Price Appeal

Reporting as chairman of the special committee on non-stock insurance, W. D. Baker, Colorado Springs, declared that part of the fault for the present competitive situation lies with the stock company agents themselves, and urged that in the future they avoid price appeal in their sales presentations. He advised that instead of talking price appeal the agents stress the importance of service. He also stressed the need for cooperative educational activities in overcoming this type of competition and told how he personally overcomes the effect of the mutual idea in dealing with business men.

Royal Man from Norway in Canada After Harrowing Trip

VANCOUVER, B. C.—A. S. Knight, for the past eight years representing the Royal in Oslo, Norway, accompanied by Mrs. Knight and their two small sons, has arrived in Vancouver, with a harrowing story of their escape from German-occupied Norway. They left Oslo by automobile when the Germans began bombing the city. After traveling about 200 miles, they abandoned the car, made for the mountains on foot and spent long weeks in hiding. Speaking Norwegian almost like natives, Mr. and Mrs. Knight managed to secure aid from residents. After their money was gone, they had an especially hard time of it. They walked through swamps and forests for 215 miles. Finally, the Knights got into Sweden and then Russian territory, traveling across Siberia. A messenger got them in touch with a British consul, who obtained funds from the Royal, and they boarded a boat in Japan for Vancouver. Mr. Knight expects to be employed by the Royal in Vancouver for the rest of the war period.

1940 Directory of Mutual Companies Is Published

The American Mutual Alliance is now distributing copies of its 1940 edition of the Directory of Mutual Companies in the United States. This compendium covers both fire and casualty operations.

The editors find that there are 3,349 active United States fire and casualty insurance organizations. There are 281 stock fire companies; 162 stock casualty companies; 144 stock accident and health companies. There are 2,414 mutual fire companies, 202 mutual casualty, 62 mutual accident and health, 60 reciprocals and 24 Lloyds.

The net premiums and assessments received in 1939 by members of the Federation of Mutual Fire Insurance Companies were \$74,499,422, losses paid \$25,485,723, assets \$156,447,990. The net premiums of the factory mutuals were \$21,164,333, losses paid \$3,847,119, assets \$61,314,688. The net premiums of other advance premium mutual fire companies were \$33,418,029, losses \$13,517,953, assets \$124,403,245. The premiums of farm mutuals were \$30,145,344, losses \$19,446,756, assets \$39,517,192.

The premiums received in 1939 of casualty companies that belong to the American Mutual Alliance were \$151,409,351, losses \$62,738,817, assets \$244,135,223. Premiums of other advance premium mutual casualty companies were \$72,454,156, losses, \$29,689,899, assets \$112,182,508.

Officers of "Ad" Men's Conference



Officers of the Insurance Advertising Conference at annual meeting in Atlantic City (left to right)—J. W. Mason, National Fire; John Ashmead, Phoenix of Hartford, executive committee; R. E. Brown, Jr., Aetna Life, vice-president; David C. Gibson, Maryland Casualty,

president; R. C. Dreher, Boston and Old Colony, retiring president; C. W. Smitheman, Camden Fire, secretary; S. C. Doolittle, Fidelity & Deposit, and C. E. Freeman, Springfield F. & M., executive committee. All have long been active in the organization.

Membership of N.A.I.A. at New Peak

(CONTINUED FROM PAGE 4)

and it is therefore a natural thing for them to lend their active support to any constructive movement associated with accident prevention activities.

He said, "We decided to adopt the theme of 'Safety Is Good Business' as the basis for our 1939-1940 program. A constructive six-point program was built around this theme.

"The six specific projects included in the program sponsored by your committee during the past fiscal year were diversified enough to warrant the support of members in any part of the country. Project 1—Local Participation—had to do with participation in organized local safety movements. Project 2—Treating Dangerous Locations embraced a plan to assist in the elimination of hazards at locations where accidents are frequent. Project 3—Training Tomorrow's Drivers—dealt in detail with a plan to promote traffic education in high schools through the medium of the National Conservation Bureau's textbook, 'Man and the Motor Car.' Project 4—Safety Billboard Posters—related to the important role these posters play in the general accident prevention program of every city and state, and represent a type of project particularly suited to sponsorship by insurance men. Project 5—Safety Talks—described in detail the procedure to be followed in making arrangements for talks on safety before meetings and over the radio. Project 6—Films and Slide Films—related to a plan to present safety motion picture films and slide films before interested local groups."

LEGISLATIVE

With national defense measures occupying the attention of Congress almost exclusively, comparatively few laws affecting insurance were passed, but it is likely that other measures will receive attention if Congress remains in session, P. D. Bowen, Baltimore, chairman legislative committee, reported. He was pleased to report the veto of the Bankhead bill, which would have extended the federal crop insurance plan to include cotton. Proposals to include tobacco, citrus fruits and agricultural commodities in general have not been acted upon as yet.

The only other bill affecting insurance which passed was that enabling the United States Maritime Commission to establish a marine and war risk insurance fund, to be used when it appears that this insurance cannot be obtained on reasonable terms and conditions from companies admitted in the United States. This undoubtedly received congressional attention because of its defense implications, Mr. Bowen said.

Among the bills which are awaiting congressional attention are the Logan bill which would set up a federal contract and surety committee, the McCarran bill, which provides for covering federal officials and employees under a master blanket bond, the bill for government insured loans to farmers on a basis similar to FHA loans and the Houston bill for the investigation of fire and casualty rates. The committee is interested in the Norris amendment to the agricultural marketing act, because it is possible that insurers may be included in the definition of "cooperative associations," and the Capper bill to establish a division of cooperatives in the Department of Agriculture. Mr. Bowen said that Secretary Wallace is giving every indication of wishing to further cooperative enterprises.

The committee is also following the Patman amendment to the Wagner appropriation bill for the United States Housing Authority. This amendment restricts insurance to companies licensed in the state where the U.S.H.A. project to be covered is situated.

The National Association of Insurance Agents had an income of \$1,065 in

excess of its total expenses during the last fiscal year, C. S. Stults, Hightstown, N. J., reported. This was in contrast to the deficit of \$7,204 reported last year.

Mr. Stults said that an unusual and exceptional income, largely from one avenue of the work, brought receipts up to \$14,500 in excess of anticipation, and \$18,022 more than the actual income of the preceding year. Expenses were up \$9,753. This was brought about by emergency operations not anticipated at the beginning of the year, demands for increased activity and extra publication costs of reprints.

Activities Greatly Expanded

Mr. Stults said that the National association is operating on an annual budget of only \$2,073 more than the budget prepared 10 years ago and the state associations have paid \$450 less into the national treasury, the latter in spite of an increase of 3,487 members during this time. The operating staff of the National association has grown from 11 to 19 persons during that period, with an average increase in wages and salaries of \$2,668 per year per person. The Washington office has been opened and federal and state social security taxes exceed \$3,600 annually. The total operating cost of the National association as compared with 10 years ago has increased only 4.8 percent. During the last year, the association's house organ carried 100 additional pages of printed text and circulated over 30,000 additional copies.

The state associations are in excellent condition, Mr. Stults said, and there was only one small unpaid current state balance. Many states now have set up in a trust fund an amount sufficient to pay the national dues as soon as they are certified. The one state in arrears did not adopt this policy.

Average Dues Reduced

The graded allocation plan adopted in 1937 has constantly reduced the average national dues, Mr. Stults said. Prior to this time, there was a flat charge for each member. The present plan sets up a scale of annual dues running from \$6 to \$2.50, based upon the number of members in each association. The number of members in each bracket depends upon the state classification, there being seven classes, depending upon the population and premium income of the state.

Prior to 1932, Mr. Stults said, the National association levy was \$7.20 annually per member. In 1933 it was reduced to \$6 and raised to \$7 in 1935 to establish the Washington office. It was again reduced to \$6 in 1936. In 1937, the created allocation plan brought the average annual national dues down to \$5.68. In 1938 it went down to \$5.60 and last year the average was \$5.49.

FIRE PREVENTION

Terrell Woosley, Lake Charles, La., chairman fire prevention committee, said that the national defense program has made rapid plant expansion necessary and urged organized agents to cooperate in seeing that proper fire prevention measures are taken. The fire prevention committee has volunteered its services to the Federal Bureau of Investigation and improved fire fighting equipment and new technique for apprehension of saboteurs should keep losses down. Mr. Woosley urged each state fire prevention committee to get behind fire prevention week, suggesting that the governor or other prominent state figure be induced to make a radio address, followed by speeches by agents, plus a good speaker at every civic and business luncheon in the state. The cooperation of ministers and newspapers should also be sought.

Indicating the work to be done in the

way of fire protection, Mr. Woosley pointed out that approximately 10,000 people lose their lives in fires each year and about 3,500 in farm fires alone. More than \$20,000,000 went up in smoke in the United States during July, an increase of \$816,800 over the June loss. Losses for the first seven months of 1940 were approximately \$2,000,000 in excess of the corresponding period of 1939.

CREDIT MEN

F. B. Heller, Newark, chairman insurance advisory committee to credit men, reported that the National association is working with the National Association of Credit Men to devise a new questionnaire which will be used to reveal the insurance status of an applicant for credit. The plan was approved at the annual meeting of the credit association, but revisions in the form then proposed were requested.

The plan contemplates salesmen of cooperating firms will obtain the name of the insurance agent of a prospective buyer and the credit manager will send the approved questionnaire to the agent. The number and kind of questions are as yet undecided. Mr. Heller said that the credit men are interested because a financial statement without insurance information can mean but little, since an uninsured loss can wipe out considerable assets, whereas the

agent should be interested because the questionnaire may result in new business if it reveals any uninsured hazard which might jeopardize the assured's credit.

Program Given for New Mexico Agents Parley

The program is announced for the convention of the New Mexico Association of Insurance Agents at Santa Fe, Oct. 18-19.

The first session will be held the afternoon of Oct. 18 with Postelle Cooper, national councillor, Deming, presiding. The address of welcome will be given by Howard Earnest, Santa Fe; response, Joseph Wertheim, Carlsbad. Talks will be given by Commissioner R. F. Apodaca; J. A. Brackney, district manager Stock Company Association; Fred Lanagan, Denver, immediate past president American Association of Insurance General Agents, on "Commissions."

There will be a dinner-dance that evening.

At the session the next morning talks will be given by H. P. North, assistant director Business Development Office, and William H. Menn, Los Angeles, outgoing chairman executive committee, National Association of Insurance Agents.

That afternoon the business meeting will be held.

AS SEEN FROM CHICAGO

ERICKSON NOW HAS MARYLAND

R. H. Erickson, reinsurance general agent of Chicago, has now taken the additional representation of Maryland of the America Fore group. The representation is through Seibels, Bruce & Co., Columbia, S. C., who were recently appointed United States reinsurance managers of Maryland. The Erickson office will deal directly with Seibels, Bruce & Co. In addition to Maryland, R. H. Erickson represents General Fire of Paris, Skandia, Hudson, Liverpool & London & Globe and Lloyds, London.

W. I. B. SELECTS ATLANTA

The mid-year meeting of the Western Insurance Bureau will be held at the Atlanta Biltmore Hotel, Atlanta, Oct. 2-3 and the directors of the Western Sprinkled Risk Association will meet there at the same time. The decision was made at the meeting of the directors of W.I.B. in Chicago.

TWO OPEN HOUSES ARE HELD

The Insurance Brokers Association of Illinois and the Kurt Hitke & Co. agency held open houses in their new offices in the Insurance Exchange, Chicago, this week. The brokers' quarters are much larger than the old office, consisting of two rooms. One is the executive office and the other is the directors room, with a large conference table. Mr. Hitke's office also is greatly increased in size. Mr. Hitke is negotiating for additional fire and casualty companies and plans to develop his general business more intensively.

PINK TO TALK IN CHICAGO

Superintendent Pink of New York will give the principal address at the annual luncheon meeting of the Illinois Chamber of Commerce insurance division in Chicago Oct. 11, "How Safe Is Insurance?" George Manzelmann, vice-president and agency director North American Accident, is chairman of the insurance division and will preside. E. V. Mitchell, general counsel Continental Casualty, is vice-chairman. The annual dinner will be held that evening.

MORE CHICAGO FIRE PREMIUMS

Additional fire premiums filings made with the Chicago city comptroller's office covering business in Chicago for the one-year period ended June 30, are

shown below. While the figures show that some of the companies which have filed to date had premium increases, it now appears evident that the total will represent a decrease in writings as has been experienced for a number of years. The figures are:

	1940	1939	1938
Albany	\$ 21,099
American	150,538	\$151,415	\$196,206
Amer. Home	20,633	24,206	8,995
Automobile	172,787	160,823	174,854
Balt. Amer.	32,920	35,098	18,142
Bank & Ship.	60,571	53,074	80,126
Boston	38,397	45,518	50,479
Caledonian	49,140	49,777
Carolina	9,651	8,409	11,621
Citizens	27,329	25,995	32,079
City of N. Y.	42,712	37,278	51,877
Com. Un., N. Y.	24,023	18,170	17,393
Dixie Fire	10,031	7,153	6,030
Emeco	9,933
Empire State	27,707	36,377	35,343
Franklin Fire.	72,829	67,696	67,409
Gibral. F. & M.	8,087	7,271	5,785
Globe & Rut.	44,105	27,106	35,480
Halifax	8,966
Hartford Fire.	313,735	332,312	362,011
Home of N. Y.	466,786	456,355	493,892
Homestead	11,893	6,246	3,158
London Assur.	123,808	116,956	128,913
Manhat. F. & M.	33,346	39,351	43,177
Natl. Liberty.	146,987	154,532	165,017
New Brunswick	40,682	40,294	40,657
New York Und.	78,943	83,923	85,912
North. of N. Y.	90,274	91,652	99,991
Paul Revere.	19,649	9,182	8,145
Reliable, O.	11,438	12,299	20,067
Security, Ia.	52,655	57,884	48,866
Service Fire	17,140	5,657
Un. F., A. & G.	20,972	25,047	20,460
Universal	16,280	14,175	11,521

INSURANCE REPUBLICAN GROUP

W. J. Floreen, state chairman of the insurance division special groups unit of the Illinois Republican state committee, announces that leading insurance men are meeting Tuesday, Sept. 24, in Chicago to complete a permanent state organization which will take an active part in the present political campaign and function effectively in voicing the opinion of the insurance fraternity on all issues threatening their business. About 30 leaders in the Chicago field and 16 downstate leaders have already pledged themselves and will have representatives at the meeting. Operating headquarters will be established in the Insurance Exchange building, Chicago, and in Springfield. Active support of the Republican candidates will be given by the organization, emphasizing the written pledge of Dwight Green, nominee for governor, to those engaged in the insurance business, which has been endorsed by all of the other state candidates. This organization will not be in conflict with

the political fund-raising bodies or special groups seeking pledges and assistance at the polls. The organization will operate as a permanent one and continue to function after the election.

A. T. Shaw, nephew of A. F. Shaw, Jr., vice-president of A. F. Shaw & Company, Chicago, and grandson of the original A. F. Shaw, is one of the first in the Insurance Exchange at Chicago to leave for military training. He is a member of the anti-aircraft division of the 202nd Field Artillery, Illinois national guard, which departed Monday for camp in Texas to undergo a year's training. He was educated in France, living in Paris and attending an academy about 18 miles outside that city. When he returned to this country, Mr. Shaw spoke French more fluently than English. He entered the fire underwriting department of Shaw & Co., and more recently has been in the automobile and casualty departments.

NEW YORK

STUDY OF PREMIUM GAINS

A study of the statements of the fire companies through a series of recent years reveals that the offices that have made the most impressive gains in premium income are in the main those that have stressed the value of a knowledge of the business on the part of their office and field staffs. So important do certain of the companies deem this to be that they maintain classes of instruction, at which well prepared and progressive programs are studied under trained leadership, the purpose being not only to inform the student body as to the application of each type of contract but to supply practical suggestions for its presentation to prospective assured. The field man, well grounded in the different forms of indemnity—fire, automobile and inland marine—written by his office, has a great advantage when seeking business in cooperation with his local representative, over the special agent lacking such equipment, and showing no particular disposition to acquire it.

HONOR FIFTY-YEAR VETERANS

Two members of the United States head office organization of Sun, who have been in the service of that company for 50 years, were honored at a dinner in New York given by the officers. They are P. P. Glover, assistant secretary, and A. F. Beh, cashier. Each was presented an inscribed gold watch and each received other gifts from department heads.

MINTON BROOKLYN MANAGER

Fred H. Minton has been appointed manager in Brooklyn for the Loyalty group. Located at 16 Court street, the office is equipped to service all fire, casualty, surety and inland marine requirements for brokers and agents. Mr. Minton has been associated with Loyalty group companies for many years.

FORUM CLUB TO HEAR KENNEDY

P. J. Kennedy, prominent insurance broker, will be the speaker at the annual banquet of the Forum Club of the Insurance Society of New York, Sept. 23 at the Hotel Martinique, New York. W. D. Sked, chairman, will preside. Each Monday evening during the fall and winter months the Forum Club, made up of younger men in insurance, meet to discuss matters pertinent to the business. They also assist in the society's educational program.

Recently elected officers of the club are: Chairman, Mr. Sked, Marsh & McLennan; vice-chairman, Peter Drake, Sisley & Brinkerhoff; executive secretary, H. S. Bowie, Royal-Liverpool; historians, Everett Towers, National Bureau of Casualty & Surety Underwriters.

National Agency Association Muster Busy in Buffalo

(CONTINUED FROM PAGE 3)

cussed. That developed into a most interesting session. Then in the afternoon the executive state secretaries, managers of state associations and local board managers had their meetings.

During the afternoon of Monday, the national councillors held their territorial conferences. That is one of the most important features of these annual conclaves. There are four grand subdivisions over which a chairman presides and they are intensely practical conferences. Monday evening the advisory council and the Business Development Office held a dinner and had a business session afterwards.

The resolution adopted by the West Virginia association urging that through the medium of the national council a survey be made of the National association was tabled until it has been referred to the chairmen of the territorial conferences, who in turn can talk over the subject with the councillors, and they then bringing it before their state associations.

Much Done on Tuesday

That constituted a very full day but Tuesday started off at the same time in the morning with the annual meeting of the national council presided over by Vice-president Payne H. Midyette of Tallahassee, Fla. At the same time the state association officers had a meeting with W. H. Menn of Los Angeles, chairman national executive committee, presiding. At noon Tuesday there was a joint luncheon of state association officers and national councillors. At the luncheon that day the advisory committee, consisting of past presidents, met with C. F. Liscomb of Duluth in charge.

In the afternoon were the local board conferences divided into three groups according to population.

On Tuesday evening was the get together dinner, this year being largely a tribute to W. H. Bennett, general counsel and secretary, who has rounded out 20 years.

Up to Wednesday morning this would have been a great convention in itself. There was enough intellectual provender and sufficient social contacts and enjoyment meeting old friends to last a lifetime.

General Sessions Start

However, on Wednesday morning the first general session was held, the invocation being by Rev. Dr. H. J. Pfum of the English Evangelical Lutheran Church of the Holy Trinity. President Sidney O. Smith of Gainesville, Ga., gave the report of the administration and Secretary W. H. Bennett, in full flower and with abounding eloquence, gave the keynote address.

Mr. Bennett's annual appearance in this role is looked forward to with keen anticipation by the members. He shines with a bright particular light on these occasions. Formerly he sat during the entire proceedings of the general meeting but now with so many obligations that have to be fulfilled in the executive committee room he is often forced to spend considerable time there. It might be said that after all the most important phases of the convention so far as they relate to the organization and the business itself come forth in the executive committee room. Much is decided there that does not reach the floor. There are conferences with groups and individuals. The committee discusses the chief issues that come before the local agents. It is always a busy scene when the committee is in session.

At the afternoon session there were two set addresses, one by E. W. Sawyer of the National Bureau of Casualty & Surety Underwriters in New York

Fire, Tornado, Automobile Insurance

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK INSURANCE COMPANY, LTD.

SAFEGUARD INSURANCE COMPANY

ENGLISH AMERICAN UNDERWRITERS AGENCY

STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Dept.)

GILBERT KINGAN, Manager
Eastern Department
20 Trinity St.
Hartford, Connecticut

W. W. GILMORE, Manager
Pacific Department
332 Pine St.
San Francisco, Cal.

C. CLAUSSEN, Manager
Western Department
223 W. Jackson Blvd.
Chicago, Illinois

For Over Fifty Years Good Friends of Local Agents

"SECURITY FOR AMERICAN PROPERTY OWNERS SINCE 1841"

Every Time
There's A
STORM

people inevitably
think in
terms of
security.



Now think of the advantage to you of representing
a Stock Company insurance group with "security"
in its name for nearly 100 years.

The
East and West
Insurance Company

New Haven, Connecticut

The
Connecticut
Indemnity Company

Security Insurance Company of New Haven

Coupon — — — — —

Send for samples of our "Human Interest" blotters.

Name.....

Address.....

City on "Comprehensive Liability Insurance" and the other by A. W. Barthelmes of the North British & Mercantile on "Adaptation of Inland Marine Coverage to the Particular Risk." This part of the program came under the general head of "Insurance Merchandising" and Roy A. Duffus of Rochester, N. Y., was the commentator. This constituted the sales session of the general program. Mr. Duffus himself has spoken at a number of meetings on sales subjects. At the beginning of the session greetings were received from the American Association of Insurance General Agents from its president, S. B. Scruggs of Dallas.

The members left calls for early rising Thursday morning as there were four breakfast conferences, one on accident prevention with John J. Roe, Jr., of Patchogue, N. Y., as chairman; membership with D. A. North of New Haven, Conn., chairman; publicity and education with L. P. McCord as chairman, and rural agents, with R. W. Forshay, Anita, Ia., chairman.

At 10 o'clock there were the three group sessions considering questions relating to agency operation and management, the lower premium group being in charge of W. C. Vaughan of Louisville, the medium group having R. M. L. Carson of Glens Falls, N. Y., in charge, and the higher premium group with H. R. Preston of Springfield, Mass., presiding.

Last Convention Session

The last convention session will be held Thursday afternoon, there being two set speakers, one being Insurance Commissioner J. C. Blackall of Connecticut, who is president of the National Association of Insurance Agents, and the other F. W. Hancock, Jr., of Washington, D. C., who is a member of the Federal Home Loan Bank board.

On Wednesday afternoon following the general session, all hands went on a sightseeing trip to Niagara Falls and had dinner there. They were taken for a scenic drive along the Niagara River. The past presidents' dinner is held Thursday evening with Mr. Menn presiding. The presidents' ball took place that evening. A golf tournament is set for Friday morning.

McCord on Opening Program

Because interest in education work is at a high pitch, L. P. McCord of Jacksonville, Fla., chairman committee on publicity and education, appeared before the convention with his report. He said that 29 states have conducted some educational work and 10 others are planning to take it up. He said that the National association has been criticized for not pushing the work more vigorously, but he feels that it is wise to make haste slowly, particularly since the educational movement is growing of its own momentum. He made a number of suggestions based upon experience of state associations, particularly regarding short course schools. Among the points he hopes to see accomplished are standardization of curriculum, consideration of fewer subjects at a school, but more thoroughly, and more agents as instructors.

In response to the request, not only of state associations, but also of companies, the National association is preparing a list of suitable instructors and the subjects which they are qualified to teach, Mr. McCord said. He said that all but one of the short courses have been conducted with the cooperation of colleges or universities. He urged the state associations to get in touch with the extension or adult education divisions of their state universities for cooperation in conducting educational programs.

The registration up to Wednesday noon was 1,150. In addition there are 200 women here.

Executive Committee Meeting

The executive committee has been in session almost continuously during working hours since Friday morning. It has had before it the old time subject of branch offices, and one entire session



AT BUFFALO CONVENTION OF NATIONAL ASSOCIATION OF INSURANCE AGENTS:

Top row: A. J. Smith, New York; L. W. Garlich, St. Joseph, Mo., members of executive committee.

Bottom row: R. R. Wilde and H. J. Thomsen, secretaries Corroon & Reynolds, and A. J. Huneke, inland marine manager Eagle Star.

was given to the question of paying graded commission on large premium risks. Another question that has been discussed at length pertains to the education program. Evidently there is some confusion as to just what the National association can or should do. Many members have different ideas, and there has not been a definite program worked out.

Much Discussion Arose

There was much discussion in the executive committee over the U. S. Supreme Court decision on the resident agency license law in which is included a statutory provision for 50 percent commission to be paid to the resident agent. The counter-signature element is causing much discussion, inasmuch as it is feared that barriers will be placed around the states which will greatly affect the free flow of insurance. Many believe that the commission should be left with the two agents and allow it to become a matter of private contract.

Evidently the question of branch offices enters into the situation as a whole and the National association apparently feels that the casualty and surety companies can do more than they are in correcting what the agents term as evils of the production branch offices.

It seems to be the opinion that the

executive committee will appoint a special committee to meet with a committee from the casualty and surety companies and endeavor to reach some amicable settlement as to the production branch offices and countersignature legislation.

Florida Grievances Presented

The Florida agents presented their grievances against the Travelers and the executive committee stated that it could not take any cognizance, unless both sides were given a full hearing. Officials of Travelers were, therefore, invited to appear before the committee, which they did.

National Councillors Meet

The national councillors met Tuesday morning with Vice-president P. H. Midyette presiding, and Assistant Secretary G. W. Scott in the secretary's chair. The bulk of the time was taken in listening to A. B. White of Keene, N. H., tell about the financial responsibility law of that state and the statutory provisions as to automobile accidents. Included in this was reference to the rulings of the motor vehicle commissioner and the insurance commission. Mr. White sees a definite trend downward in accidents and a far larger percentage of automobiles insured. There is an assigned risk feature relating to cars which companies

refuse to carry and which are assigned, therefore in rotation to all companies licensed in the state, they acceding to the program.

William Leslie, manager of the National Bureau of Casualty & Surety Underwriters, described the process in assigning such risks. In view of the fact that many states anticipate compulsory insurance bills during the coming legislative season, members were greatly interested in learning about the New Hampshire plan, as it will undoubtedly be recommended in lieu of compulsory insurance.

State Officers Confer

On Tuesday morning there was also a meeting of state association officers with W. H. Menn, chairman National executive committee presiding. C. S. Stults, Hightstown, N. J., chairman finance committee, reported that the financial affairs are in good shape. There was a satisfactory profit from the operation of "American Agency Bulletin." He said that the per capita cost per member to the national body shows a decrease.

D. A. North, New Haven, Conn., explained the formula or program adopted for the operation of local boards in Connecticut, with the view of having this used as a pattern in other states. Mr. Menn explained the attempt the California association is making to reach an understanding as to the best method of handling public business. He announced that this would be concluded, he hoped, in a short time.

President Sidney O. Smith of Gainesville, Ga., will retire from that office following the Thursday afternoon session and will become, according to the constitution, chairman of the executive committee. He served as chairman of the executive committee when W. H. Menn of Los Angeles was president. P. H. Midyette of Tallahassee, Fla., vice-president, will ascend to the presidency and a year after he will become executive committee chairman. In view of the changes in the constitution, Mr. Menn and Mr. Smith served as chairman of the executive committee the year before and the year after they were president. Now the line of succession starts with the vice-president.

Inland Marine Meeting

The inland marine committee, under Hunter Brown, Pensacola, Fla., held its first joint meeting with the conference committee of the Inland Marine Underwriters Association Tuesday. The companies were represented by E. J. Perrin, Jr., Hartford, vice-president Automobile, chairman; Harold Jackson, New York, vice-president Wm. H. McGee & Co.; J. J. Magrath, New York, secretary Chubb & Son; H. W. Miller, New York, assistant U. S. manager Commercial Union; G. G. Quirk, Hartford, secretary Aetna Fire, and H. L. Wayne, New York, secretary I. M. U. A. L. C. Lewis, Philadelphia, vice-president North America, the other member of the company committee, was unable to attend.

The first meeting revealed nothing but minor differences. The joint committee agreed to recommend to their associations that it be made permanent and meet at least once a year, oftener if needed. The agents' committee was appointed shortly before the Wichita meeting last spring. It held its organization meeting Monday. There has been considerable criticism within the National association for lack of more aggressive attention to the inland marine field and it is expected that this committee will become one of the most important in the organization.

Wind Claim Is Upheld

CINCINNATI—The U. S. circuit court of appeals has upheld the district court's \$109,341 award to the Stacey Brothers Gas Construction Co., St. Bernard, under a \$100,000 windstorm policy issued by Pearl on a gas holder which the construction company was erecting for the Ford Motor Company at Dearborn, Mich. A windstorm Sept. 30, 1936, virtually destroyed the gas holder, it was alleged, with a property loss of \$165,345.

Annual Convention of Mutual Men in Cincinnati

(CONTINUED FROM PAGE 6)

president, Creamery Mutual, Minn., nominating.

A feature of the mutual convention is the large number of round table discussions by various groups going on simultaneously. These included, with their chairmen: Automotive and casualty, J. R. Otto, Auto-Owners; city and town, D. A. Tripp, Illinois Mutual Fire; hail, F. O. Rutledge, Farmers Mutual Hail, Ia.; farm, W. R. Rowe, Northern Neck Mutual, Va.; windstorm, W. C. Children, Iowa Mutual Tornado. The opening day was devoted to a directors' meeting, official reports, and a discussion on state association activities led by H. J. Ferguson, Farmers Alliance Mutual, secretary-treasurer Kansas State Association of Mutual Insurance Companies.

Cincinnati Host Companies

Cincinnati's four mutual companies, Cincinnati Equitable, Hamilton County Mutual Fire, Retail Druggists Mutual Fire, and Sun Mutual Fire, were hosts. Cincinnati Equitable was host at a breakfast tendered the member companies 100 or more years old. J. H. R. Timanus, Philadelphia Contributionship, founded in 1752, presided at the breakfast, which featured Superintendent Lloyd of Ohio as speaker.

A. D. Baker, Michigan Millers Mutual Fire, president of the Federation of Mutual Fire Insurance Companies, was presiding officer at the executive round table discussions of that organization. Chairmen of the Mutual Insurance Advertising-Sales Conference sessions were E. D. Latham, sales manager Millers Mutual Fire, Harrisburg, Pa.; W. C. Sampson, Employers Mutual Liability, and F. M. Davis, Utica Mutual. Mrs. O. E. Hurst, Bowling Green, Ky., was in charge of the ladies' auxiliary.

Percy Bugbee, general manager National Fire Protection Association, in an address on "Progress in Fire Control," expressed the hope that eventually a deliberately careless fire would be considered as a public offense. He paid tribute to Cincinnati for its achievement last year in winning the grand award of the U. S. Chamber of Commerce in fire prevention work.

Other speakers on the main program were L. K. Sharp, Mill Owners Mutual, Ia., who spoke on the "1752" Club movement, and Henry Harrison, Worcester Mutual, "Economy, Service and Stability of Mutual Insurance."

At the automotive and casualty group session Tuesday afternoon H. P. Cooper, Jr., reported the casualty companies are in serious need of services not now available to the members of the group. He explained the work of a committee formed at the last mid-year session in March for the purpose of extending the services to permit smaller casualty companies to have a voice in such activities as preparing standard policy forms.

His report was followed by an address of Eugene Hensel, general counsel Farm Bureau Mutual Auto, Columbus, who emphasized that association members primarily interested in writing automotive and casualty have felt and expressed a growing need for expansion and complete development of the functions of the association. Stating that the primary concern of the committee was whether mutual insurance companies actually desire expansion of activities of the association, he asked, "can each mutual casualty company successfully operate its business in these times independently of other companies in the same business?" He inquired if the gathering favored a year round organization for the collection and dissemination of information relative to sound practices, such as studies of adequate reserves, unearned premium reserves, rate making with all mutual companies cooperating. An expanded and revitalized group service of this kind might also set up a clearing house for informing the companies of activities of state legislatures which are constantly enact-

ing laws regulating and controlling the insurance business. It would be an instrument for each mutual company acting through the association to participate in preparation of policy forms in a way which the smaller companies cannot now participate. Following his address, a panel discussion was conducted. A vote then taken by company representation indicated strong opinion in favor of this expansion.

The City & Town Group with Chairman D. A. Tripp presiding received the report of policy committee. Mr. Tripp spoke on "Our Task," saying the purpose of the group is to coordinate, to unify and to educate the companies in the group. C. T. Coats, assistant secretary Indiana Union, Indianapolis, said the time is not far off when companies in this group will be interested in inland marine so there should be a committee created.

At the Windstorm Group W. C. Children, vice-president Iowa Mutual Tornado, spoke on "The Essentials of Sound, Economical Windstorm Protection." O. E. Hurst, secretary Hurst Home, Lexington, Ky., addressed the meeting on "Mutual Insurance as Affected by Governmental Activities and Agencies." Both speeches were followed by round table discussions.

H. A. Kern, assistant secretary Central Manufacturers, Van Wert, O., outlined methods used by his company in selecting and training competent field men. Certain basic qualities necessary for field men of all companies he enumerated as: good health, conscientious desire to work at task proposed, and a high sense of ethical and moral conduct. "Thus far we have limited our selection to men who are already familiar with the fire insurance business," he said. Two weeks training in the home office is followed by complete trip through his new territory, where periodically someone from the agency department or the underwriting department travels with the special agent for as long as two weeks at a time. This company insists each man subscribes to

and becomes a student of several educational publications. It requires approximately 35 hours of concentrated effort to complete one good agency appointment, analysis of past efforts shows. Each special agent is expected to complete one new appointment a month. Each new agency appointed produced on the average premiums as follows: first, \$1,320; second year, \$1,566; third year, \$1,911. Experience also shows the expense ratio for servicing local agents through special agents is 2.4 percent.

About \$5,000 annually is required to keep one special agent in the field so the territory must produce about \$250,000 in premiums a year.

The mutual groups will meet next year at Los Angeles.

Officers of the Federation of Mutual Fire Companies continue for the second half of two year terms. New directors of the federation are: C. H. Keating, Lumbermen of Mansfield; L. A. Mingenbach, Hardware Dealers; E. E. Wehman, Jr., Carolina Mutual; J. J. Fitzgerald, Grain Dealers National; G. A. McKinney, Millers Mutual of Alton.

Plan Florida Safety Meetings

ORLANDO, FLA.—The Florida Industrial Safety Council, sponsored by the Florida industrial commission, which administers the Florida compensation laws, has been organized, with John A. Ebel of Orlando, chairman. Mr. Ebel is executive secretary of the Florida Trucking Association. The new organization will apply itself to the safety side of compensation insurance relations. It plans to hold 15 safety meetings, three in each of the five Congressional districts. Meetings have been scheduled for Pensacola, Oct. 28; Jacksonville, Oct. 29; Orlando, Oct. 30; Miami, Oct. 31, and Tampa, Nov. 1. Meetings will be held at the same places in January and April, followed by a safety short course at the state university in June.



NATIONAL UNION

**FIRE INSURANCE
COMPANY
PITTSBURGH
PA.**



• INLAND MARINE •

Our up-to-date guide for soliciting and writing Inland Marine Insurance is a valuable aid to Agents.

ARE YOU INTERESTED?

New York Underwriters Insurance Company

Under management of
A. & J. H. STODDART

Ninety John Street

New York

**A LEADER
AS
A
GOOD AGENCY
COMPANY**



EDITORIAL COMMENT

Hallowed Memories of Buffalo

THERE have been more annual conventions of the National Association of Insurance Agents at Buffalo than any other city. The first was held in 1899, largely in tribute to C. H. Woodworth of that city, who was one of the founders of the organization and a man greatly beloved. He had been elected a year before at Detroit and was re-elected in his home city.

There have been wonderful and most excellent presidents of this organization. Mr. Woodworth was a tall oak in the forest, a man of most comely appearance, impressive in his physical and mental characteristics. He was brilliant yet tolerant and most kindly, forceful and convincing, yet most sympathetic and amiable. He had the texture of a well woven and artistic fabric. His was the quality of refined gold. He did heroic work for the association in its formative days and had it not been for Woodworth we might not be meeting in Buffalo this week. It is most appropriate that the work and worth of this unusually helpful man be perpetuated in the National association by the awarding of the Woodworth memorial each year to that agent who has performed the most outstanding service to the agency cause during the year.

The next meeting in Buffalo was in 1911 when J. H. Southgate of Durham, N. C., was elected president. At this meeting Mr. Southgate paid that remarkable tribute to Mr. Woodworth that will ever be remembered by those who heard him. It was an outburst of eloquence, emotion, sentiment and inspiration that one seldom hears. It enthralled all. Mr. Southgate was an orator, a man ponderous in frame with a voice of magnificent timbre. There has not been a president of the association with such fecundity of speech, such power in vocal expression, so finished in platform grandiloquence.

The next meeting was held in 1923 in Buffalo when Frank R. Bell of Charleston, W. Va., was elected president. This marked the end of the second presidential year of the late James L. Case of Norwich, Conn. All who were present at the last session of this memorable gathering will never forget the emotional experience that overcame Mr. Case as he was presented with a large hall clock. In those days it was unusual to present the retiring presiding officer with a gift of that character, one so costly. In fact, a collection was taken from those present when President Case through some subtle ruse was called out

of the room to answer a supposedly long distance telephone call and was kept out until the fund was secured. He was a man sentimental in his instincts and the spirit of the hour filled his cup to overflowing.

It was at this meeting, too, that a group of the old timers went to the cemetery in Buffalo where Mr. Woodworth is buried and there dedicated a monument to his memory, purchased by members of the organization. C. F. Hildreth of Freeport, Ill., who served as president for two years and was well acquainted with Mr. Woodworth in those early days, made the address at the graveside. Mr. Hildreth was elected president in 1913.

Those who gathered in that sainted city of the dead beneath the rich August skies will ever remember how Mr. Hildreth in mellow tones recalled that episode in Picpus Cemetery in Paris at the sepulcher of Lafayette, July 4, 1917 when a battalion of U. S. troops marched out on Independence Day to pay tribute to a great friend of America, one who came to our aid in a time of great trial when the fate of our nation was in the balance. Ambassador Brand Whitlock of Belgium spoke as did Gen. Pershing. In the company from France was Painleve standing by Ambassador Sharp of France. At the proper signal Col. C. E. Stanton of Pershing's staff stepped forward and said simply, "Lafayette, we are here." Four words steeped in deep meaning. They needed no more. And Mr. Hildreth stepped nearer the tomb and with touching but proud determined expression, said "Woodworth, we are here." He had said enough, for all understood. Woodworth fought valiantly for the agency cause. Here a pledge was given to maintain the principles for which he stood and to carry on.

It was at this convention, too, that the late C. I. Hitchcock, editor and publisher of the "Insurance Field," who had such an ardent and sincere affection for the organization, was assigned a part in the program, paying a feeling tribute to Mr. Woodworth and the pioneers of the body. Mr. Hitchcock was a tower of strength to the National Association of Insurance Agents during his time.

It was also at this gathering that Charles Lycurgus Gandy, a young man from Birmingham, not so well known outside of Alabama, got on the platform and in a spontaneous way carried his hearers along with his quaint and

homely humor, his apt illustrations and taking stories. He gave a sincere expression of appreciation for the insurance business and what it was doing for him. This brought Mr. Gandy prominently before the National body and eventually he became president.

Here in Buffalo, still active in business, resides one of the pioneer presidents, E. C. Roth, who was elected at the Indianapolis meeting in 1915 and again at Boston in 1916. Mr. Roth was the last of what might be termed the "promotional and organization period" of the National body. Up to that time the association had been struggling and finding its way. Mr. Roth was a creative official, very sound in his judgment and had the esteem of the membership. He followed the course of previous

presidents. He has always had the affection of those who knew him and his fine work in the organization. It was at the next annual meeting at St. Louis that E. M. Allen, local agent at Helena, Ark., was chosen president and from that time forward the National Association of Insurance Agents had a renaissance, a rebirth, a reorganization, a reconstruction of its machinery. It laid aside its juvenile habiliments to don the clothes of one come of age.

So to those of us who have attended the four conventions at Buffalo, and our group is exceedingly small, it is freighted with fragrant and unforgettable memories, recollections of men of superb mold and character, of incidents and speech that live with us and make life a wonderful experience.

Fire Prevention Week Highlighted

THE observance of fire prevention week in October this year should and undoubtedly will be of a much more vital nature than it has for many years past. The protection of property and human value against fire in view of the defense program now becomes of uncommon patriotic significance. The explosion and fire at the Hercules Powder Co. plant at Kenil, N. J., the other day, caused true Americans to have a sense of individual, personal loss. It turns out that this plant carried no insurance, but even if it had been insured and would have recovered dollars from insurance companies, yet the man power and the time that was lost can never be recovered.

We can appreciate that kind of loss as never before when there is such a premium on man power and time. The value of fire prevention activity,

hence, is intensified many fold these days and insurance men should approach the crusade this year with a real patriotic fervor.

The Chamber of Commerce of the United States has put out a pamphlet and bulletin to local chambers of commerce on observance of fire prevention week and the inter-chamber fire waste contest which emphasizes the relation of fire prevention to the defense program, saying:

"Defense orders, undoubtedly, will tax the capacity of plants in some lines. Therefore, any curtailment of production because of fires may have serious consequences. Particularly at a time like this, vigorous activity should be undertaken to guard against careless fires and every precaution must be taken to prevent fires of an incendiary origin."

PERSONAL SIDE OF THE BUSINESS

F. W. Brundick, Jr., is recovering from a serious attack of pneumonia at his home in Jacksonville, Fla. He is one of the popular general agents of the state and a former chairman of the Florida Field Club.

Allen Miss, St. Paul manager of the Western Adjustment, is undergoing treatment at a St. Paul hospital.

Gen. J. F. Howell, local agent in Bristol, Tenn., and commander-in-chief of the United Confederate Veterans, is still active in business at 94, plans to attend the veterans' annual meeting at Washington, D. C., Oct. 8-10, probably going by plane. Gen. Ben Mathes, adjutant on the staff of General Howell, who is a local insurance agent in Memphis, also plans to go to the Washington meeting.

E. F. Schneider, assistant manager Chicago metropolitan department North British & Mercantile, is bereaved by the death of his father, George J. Schneider,

86, in Arlington Heights, Ill., where he had resided for about 70 years. The elder Schneider fell down stairs some time ago and was in the Elmhurst hospital for several weeks. Recently he returned to Arlington Heights and was being cared for in a nursing home. Services were held there.

R. E. Coffin, Indianapolis, state agent Boston and Old Colony, will speak on "The Consumer Movement" at the annual convention of the National Stationers Association, Chicago, Sept. 23. For two years he was president of the Indiana Association of Insurance Agents. Since joining the company a year ago, he has been made chairman of B.D.O. activities in Indiana.

Phil J. Braun of the Newell & Braun agency, Flint, Mich., former Michigan Association of Insurance Agents president, while deep sea fishing off Wedgeport, N. S., hooked and 2 3/4 hours later landed a 598-pound tuna. The landing



THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: R. E. Schilling, J. C. O'Connor.

BUSINESS DEPT.: John F. Wohlgenuth, President. H. J. Burrage, Vice-President and Secretary. John Z. Herschede, Treasurer. Associate Managers: W. A. Scanlon, G. C. Roeding, O. E. Schwartz.

CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents.

NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

ATLANTA, GA., OFFICE—560 Trust Company of Georgia Bldg., Tel. Walnut 5367. W. M. Christensen, Resident Manager.

BOSTON OFFICE—Room 522, 25 Huntington Ave., Telephone KENmore 5237. R. E. Richman, Vice-President.

CANADIAN BRANCH—Toronto, Ont., 370 Woburn Ave., Tel. Mayfair 4761. W. H. Cannon, Manager.

DALLAS OFFICE—811 Wilson Bldg., Tel. 2-4955. Fred B. Humphrey, Resident Manager.

DES MOINES OFFICE—2825 Grand Ave., Tel. 4-2498. R. J. Chapman, Resident Manager.

DETROIT OFFICE—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS OFFICE—500 Northwestern Bank Bldg., Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

PHILADELPHIA OFFICE—1127-123 S. Broad Street. Telephone Pennypacker 3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO OFFICE—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$4.00 a year (Canada \$5.00). Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

procedure required the assistance of four other men, including Mr. Braun's son, Jack, who is taking the insurance course at the business school of the University of Pennsylvania in Philadelphia. Mr. Braun's catch was the only trophy for the entire day of a fleet of nine tuna-fishing boats.

Carl K. Withers, former New Jersey commissioner and now president of the Lincoln National Bank of Newark, will be chairman of the annual convention of the American Bankers Association at Atlantic City Sept. 22-26.

Payne H. Midyette of Tallahassee, Fla., vice-president of National Association of Insurance Agents, was a guest of Mr. and Mrs. James M. Crosby, Jr., Grand Rapids, Mich., for several days between the Michigan association convention and the executive committee sessions preceding the Buffalo national convention. Mr. Crosby has long been active in association affairs, having served on the national executive committee and as president of the Michigan association.

Preston T. Kelsey, former United States manager of Sun, who now resides in Southern Pines, N. C., is visiting in Chicago this week.

Commissioner Emery of Michigan has just been elected chairman of the Kent county Republican committee, Grand Rapids, Mich., to fill a vacancy. Colonel Emery, active in Republican councils there for many years, had been serving as treasurer of the county committee.

DEATHS

J. R. Shearer, 60, for 20 years adjuster for the London & Lancashire, with headquarters in Vancouver, B. C., died there. He was born in Montreal, and was for 13 years in the insurance business in Victoria, B. C., before going to Vancouver. He was a member of the Blue Goose.

Frank M. Butt, 77, long southern general agent at Dallas for the marine department of the North America, died at his home there. He was a son of John D. Butt, pioneer agent at Augusta, Ga., an uncle of M. B. Warren, Virginia state agent America Fore, and a brother-in-law of the late L. R. Warren, long Virginia state agent of the Phoenix of London. Mr. Butt was the organizer of the Cotton Insurance Association. He retired from active business a few years ago.

Harry M. Minick, 65, retired state agent of Fireman's Fund, Des Moines, died following a long illness. He was well known in the insurance business throughout southwest Iowa, having started with the Des Moines Fire. When the company consolidated with Hawkeye Fire in 1910 and the two were reinsured by Fireman's Fund in 1913, he continued in the same territory. His brother, Austin, who now is in business in Alta, Ia., was at one time special agent in northwest Iowa for Fireman's Fund. A son, Wesley, is an adjuster with the Des Moines office of Western Adjustment.

Col. W. P. Swope, who for almost 25 years was state agent for American Eagle, supervising at various times Indiana, Tennessee and Kentucky, and devoting all of his time to Kentucky since 1920, died from a heart attack in his rooms at the Seelbach Hotel, Louisville. Services were held at Louisville and at the Christian Church at Owenton, Ky., the western department of the company being represented by Secretary H. W. LaRue. Col. Swope was a native of Henry county Ky. He held many public offices in Owen county and later was in the internal revenue collector's office in Louisville.

Colonel Swope years ago was in the local agency business at Owenton, Ky., and later was field man for about 10 years for Connecticut Fire. He then went with American Eagle, and completed 24 years of service with that company in August of this year. He

had just recently returned to his office after an illness of several months.

Colonel Swope was a member of the old guard, and attended a dinner given about eight years ago by the Kentucky Fire Underwriters Association, as a silver anniversary dinner for men in the field for 25 years or more. He was one of the honored group.

Charles Herberich, 62, president of the Herberich-Hall-Harter agency, Akron, O., which he organized more than 20 years ago as the outgrowth of the former David Herberich agency, which his father had organized, and the Hall-Harter agency, died Monday after a long illness. Mr. Herberich was also president of Ohio General Corp., and Ohio General Fire. He was a director of the General Tire & Rubber Co. and vice-president and chairman of the executive committee of Bankers Guarantee Title & Trust Co. His brother, Walter, is secretary of Herberich-Hall-Harter. He was a former president of the Akron Chamber of Commerce and active in civic affairs.

H. H. Ewbank, 63, local agent of Hendersonville, N. C., died from a heart attack. He had been in business there since 1916.

E. A. Burton, 74, attorney and local agent of Hastings, Mich., was found dead at his home.

Knowles Heads "Standard"

Following the recent death of Charles E. Belcher, Stanley S. Knowles has been elected president and editor of the "Standard" of Boston. James H. Kelsey became vice-president and treasurer, and E. E. Wall, secretary and assistant treasurer. Mr. Knowles has been with the "Standard" since 1916 and is a graduate of Bowdoin College, class of 1912. Mr. Kelsey has been with the publication since 1891. W. N. Woodland, with the paper since 1932, a graduate of Boston University school of journalism in 1932, will be associate editor.

Changes in Mich. Department

LANSING, MICH.—Commissioner Emery of Michigan announces two changes in his staff. Jay C. Ketcham, a former department examiner who has been serving as secretary of Great Lakes Casualty, becomes second deputy commissioner. He succeeds William Conley, formerly department actuary, who joins Michigan Hospital Service, Detroit, as comptroller.

James S. Maine joins the department as assistant actuary to succeed W. W. Garnett who has joined the railway retirement board in Washington. Maine has been with Central Life of Illinois.

Dies Suddenly on Eve of Assuming New Post



E. E. HEASLEY

Funeral services were held in Cleveland Saturday for E. E. Heasley, manager in that city for Underwriters Adjusting who had been slated on Nov. 1, to become assistant general manager of his company in Chicago. He died

while driving from his home to his office. His car crashed into a tree. Whether death was due to illness or accident has not been determined.

Mr. Heasley was one of seven men that went with Underwriters Adjusting during its first few months of existence in 1919 and that is regarded as the original group. Of that number, General Manager T. A. Pettigrew is now the only survivor.

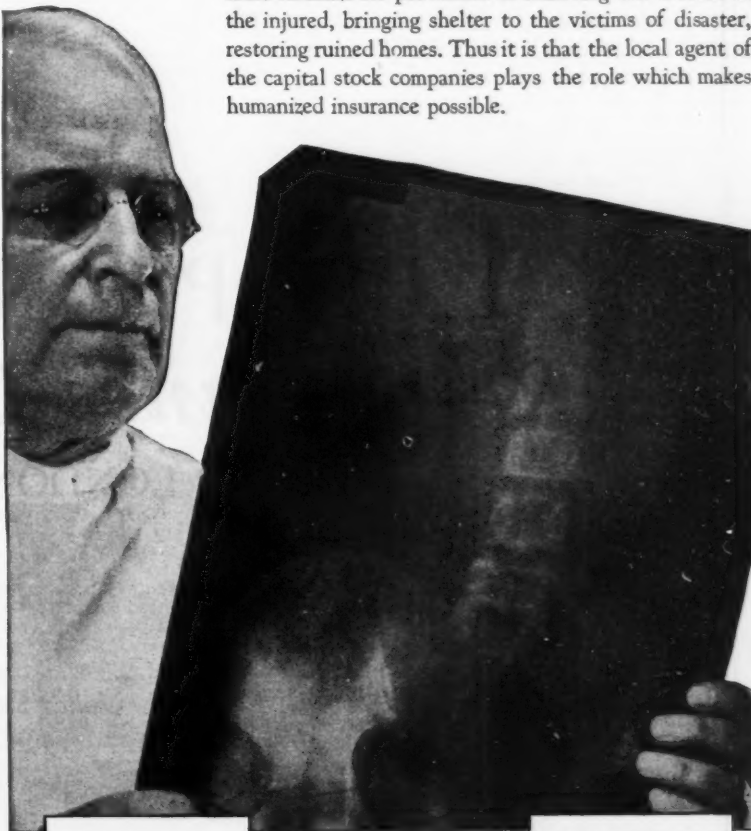
Mr. Heasley was connected with the independent adjusting firm in Pittsburgh of W. H. Cobban & Co. Mr. Cobban disposed of his business and went with Underwriters Adjusting as Minneapolis manager. He took with him to Underwriters Adjusting Mr. Heasley and Clyde Seanor, who at the time of his death a few years ago was assistant general manager in Chicago. Mr. Heasley was at first located in Minneapolis as staff adjuster for about a year. Then he was transferred to Cleveland as staff adjuster and became manager there within a year. He entered the business in Pittsburgh with Home.

From Chicago to attend the funeral were Mr. Pettigrew, George M. Blum, general adjuster, and H. H. Moore, assistant general adjuster for Underwriters Adjusting, and John McGregor, assistant manager Underwriters Salvage Co. of Chicago.

The Cleveland Field Club at its first fall meeting adopted memorial resolutions for Mr. Heasley.

Humanized INSURANCE

Like the X-Ray, the skillful and successful insurance agent must look beyond the printed policy terms. He must visualize its provisions as removing the worries of the injured, bringing shelter to the victims of disaster, restoring ruined homes. Thus it is that the local agent of the capital stock companies plays the role which makes humanized insurance possible.



Enroll Now!

INSURANCE INSTITUTE COURSES

Over 1/3 of a Century

Begin Wednesday, Oct. 2

Fire — Casualty — Inland
Marine and Surety

FEE For these courses
will be (per course) **\$8.00**

For particulars see

LIBRARIAN ROOM 2132, INSURANCE
EXCHANGE BLDG., CHICAGO
OR PHONE WABASH 4151

Full Cooperation of the Insurance Club of
Chicago with the Committee on Education
of the

**Insurance Institute
of America, Inc.**

Glens Falls
INSURANCE COMPANY
Glens Falls, N. Y.

COMMERCE
Insurance Company
of Glens Falls, New York

Standard
protection
COMPANY INSURANCE

Glens Falls
INDEMNITY COMPANY
of Glens Falls, New York

Reinsurance
Casualty
Fidelity
Surety



ESTABLISHED 1911

The
EUROPEAN GENERAL
Reinsurance Company, Ltd.
OF LONDON, ENGLAND

United States Branch
99 John St., New York

T. L. HAFF
U. S. Manager

E. BRANDLI
Asst. U. S. Manager

The NATIONAL UNDERWRITER

September 19, 1940

CASUALTY AND SURETY SECTION

Page Twenty-one

Graded Commission Plan Recommended for Large Premiums

Company Committee Holds Conference With National Association Leaders

BUFFALO—A committee representing casualty and surety companies appeared before the officials and members of the executive committee of the National Association of Insurance Agents, the conference occupying all of Sunday morning. A number of agency leaders who had arrived for the convention at that time were invited to attend the session and participate in it. The company committee consisted of William Leslie, manager National Bureau of Casualty & Surety Underwriters; M. W. Lewis, president Towner Rating Bureau; Guy Gleason, Employers Liability; S. B. Perkins, secretary Travelers; F. S. Perryman, secretary Royal Indemnity.

Purpose of the Conference

The company delegation desired to place before the agents the situation regarding large premium surety and casualty risks from \$10,000 up for example. This business is the special target for non conference companies. More and more association companies find themselves handicapped because of the acquisition cost. If agents would agree on a graded commission scale whereby there would be a lower percentage on the large premiums and have the regular arrangement for the smaller ones, the committee declared bureau companies would have the chance to hold their present risks and edge in on those already lost. The committee declared the suggestion follows the course in merchandising seen in other lines. Costs have been reduced per unit but more units are sold. The argument is made that insurance must pursue modern methods or lose in the market.

In principle, the committee pointed out the practice is pursued in retrospective rating and other means where the cost to the consumer is reduced. Very often a company and its agent will agree on a lower commission in order to save a piece of business.

The committee spoke only for casualty and surety companies and expressed the conviction that the program should be confined to that field.

Favored by Many Large Agents

In many points where the large premium risks are located or in case of agents that control such business, the producers for the most part favor the graded scale as they realize some concessions must be made. As a matter of fact comparatively few agents would be affected by this proposed move as

(CONTINUED ON PAGE 28)

Progress Made on Scale of Commissions: Stewart

BUFFALO—Progress in the question of commissions on commercial blanket and blanket position fidelity bonds and negotiations on the same aspects of bankers and brokers blanket bonds and large contract bonds were reported by W. Herbert Stewart, Chicago, chairman surety committee, at the convention of the National Association of Insurance Agents. He also called the attention of members to the commission situation regarding the new comprehensive dishonesty, disappearance and destruction policy, the problem of indemnity funds of public bodies as a substitute for bonds and the question of stock companies writing qualifying bonds for non-stock carriers.

Strong Champion of Agents

Mr. Stewart has been one of the outstanding committee chairmen of the National association for several years, having received the Woodworth Memorial award in 1937. He does not hesitate to defend the agents' position and he always does it well, so every year his report is a matter of general interest.

Proposed Graded Commissions

The surety committee has maintained for years that standard fidelity commissions should be paid on blanket fidelity bonds, instead of the reduced commissions in force, pointing out that these bonds provide valuable protection, but require more salesmanship and more time of an agent. A conference between representatives of the National association and a subcommittee of the acquisition cost conference found all parties in general agreement as to the desirability of a graded commission on these bonds, but the question of a breaking point has yet to be decided. Mr. Stewart's committee recommended that full standard fidelity commissions be paid to local and general agents on the premium up to \$5,000, 5 percent less to both classes on indemnity between \$5,000 and \$10,000 and 10 percent less on premiums for that portion of the protection in excess of \$10,000. Mr. Stewart said that his committee hopes for a favorable decision soon. He said that the desirability of a similar arrangement with bankers and brokers blanket bonds was agreed upon, but very little progress can be made because of the competition of London Lloyds and the certain opposition of bankers associations.

New Comprehensive Policy

The commission rules for the new comprehensive dishonesty, disappearance and destruction bond, which is under the joint jurisdiction of the National Bureau of Casualty & Surety Underwriters, Surety Association of America and the Towner Rating Bureau, provide that commissions on the fidelity section shall be the same as on commercial blanket bonds and commission on the destruction, disappearance and wrongful abstraction sections shall be the same as on the premises all-risk and messenger all-risk policies. Mr. Stewart said that the committee requested that when the question of acquisition cost on commercial blanket and blanket position bonds is settled, the same commission should automatically

apply to the fidelity section of the new combination form.

Regarding commissions on the other sections of the form, Mr. Stewart expressed his flat opposition to the rules. He said that commission on the premises and messenger all-risk policies was fixed with no opportunity for the agents to be heard and that it is not fair to apply this commission to the new form, because it is not an all-risks form and hence should be subject to general burglary commissions. Also, he pointed out, any agent writing this form of policy must cancel his inside and outside holdup and safe burglary insurance and is entitled to be compensated on the same basis as on the business he is obliged to cancel.

Regarding large contract bonds, Mr. Stewart said that some adjustment in both rate and acquisition cost on contracts between \$2,000,000 and \$2,500,000 seems to be in order and will be taken up at a subsequent conference. He also said the committee has taken the position that where a contract of over \$2,500,000 is specially rated, and then the contract is bid and let for less than \$2,500,000, the standard rates and commissions should apply. If there is sufficient justification to press this subject, he said the committee will do so.

Raps Indemnity Funds

Mr. Stewart said that no public indemnity fund can replace the service and protection that surety companies render through their agents and that these funds can be depleted through excess losses, management expense and poor management. The liability of the fund is limited to the premiums paid into it, while surety companies receive a reasonable premium to cover losses and expenses and are liable for losses to the extent of their bonds. He said there is a growing disposition on the part of state, county and city governments, as well as the federal government, to establish these funds.

Since Mr. Stewart's last report, the Department of Agriculture ruled that any county agricultural association which prefers to carry fidelity bonds on its officers and employees instead of subscribing to the indemnity fund set up by the department may do so. However, the bond form prepared by the department was unsatisfactory to the surety companies and there has been no agreement, with the result that most of the business is in the fidelity fund.

Practice Generally Ended

The opposition of agents to stock companies writing qualifying bonds for non-stock carriers has resulted in the discontinuance of this practice by most companies. Some companies, however, while they will not write new bonds, have continued old bonds, due to pressure of agency connections and other business reasons. Mr. Stewart said that there are still three companies on five bonds in California, one company on three bonds in Florida, one company on one bond in Louisiana, two companies on two bonds in Oregon, three companies on five bonds in Texas and three companies on seven bonds in Virginia.

Program Announced for Casualty Rally at White Sulphur

C. M. Chester, O. J. Arnold, Mrs. W. B. Boyce Will Be Guest Speakers

NEW YORK — Announcement is made this week of the schedule of events for the joint convention of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents to be held at the Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 7-10.

The guest speakers will be C. M. Chester, chairman of the board General Foods Corporation; O. J. Arnold, president Northwestern National Life of Minneapolis, and Mrs. Westray B. Boyce, chief of insurance division, Rural Electrification Administration, Washington, D. C. Mr. Chester will speak at the opening session Oct. 8 and Mr. Arnold and Mrs. Boyce the session on Oct. 9. Mrs. Boyce is the first woman ever to address this convention.

John A. Diemand of the Indemnity of North America is president of the company association and W. T. O'Gorman of the general agents' body. Mr. Diemand will preside Tuesday and Mr. O'Gorman Wednesday. C. W. Fairchild, general manager of the Association of Casualty & Surety Executives, is secretary of the company association and C. H. Burras of Chicago of the general agents' body. Separate business meetings of both organizations will be held the morning of the last day.

C. B. Morcom, Aetna Casualty, is vice-president of the company organization; W. J. Falvey of New York, Massachusetts Bonding, is chairman of the executive committee. Lew H. Webb of Conkling, Price & Webb of Chicago is vice-president of the general agents association and C. C. Jones, Kansas City, chairman executive committee. Mr. Diemand is chairman of the convention committee. Spencer Welton, Massachusetts Bonding, is again chairman of the entertainment committee; Kenneth Spencer, Globe Indemnity, reception; J. G. Yost, Fidelity & Deposit, golf.

It is expected that some of the insurance commissioners will be present and they will be introduced at the first joint session.

On the morning of Oct. 7 there will be a round table discussion of the National Association of Casualty & Surety Agents for members, President O'Gorman being in charge. This is regarded as one of the most important features of the week.

On Tuesday of convention week the women's and the men's golf tournaments will begin. There will be a women's putting contest, men's horse-shoe pitching contest, and the usual social activities.

Fears Fade on Defense Bill Effect

Expect Insurance Coverage of Contractors to Be Undisturbed

Fears have now largely been dispelled that the \$5,000,000,000 supplemental appropriations bill for national defense will make it impossible or undesirable for the contractor to carry compensation and liability insurance when doing work on the cost plus a fixed fee basis. The fear arose that insurance would be dispensed with because amendment specifically permitting insurance as an item of expense was rejected. However, the majority opinion now seems to be that insurance will be carried in the normal course. The amendment in question read:

"That in determining the cost to the contractor, the secretary of the navy shall not include any recoveries due to accident or damages to persons or property resulting from negligence of the contractor or his employees, but nothing contained herein shall prohibit the secretary of the navy to include insurance premiums in determining the cost to the contractor."

The discussion of the bill in the Senate during its earlier stages led to fear that under the act the government might be permitted or required to step into the shoes of the contractor and assume the claims of workmen and the public directly rather than reimbursing the contractor for the cost of his insurance.

The bill gives both the secretary of war and the secretary of the navy authority to waive the requirements of performance and payment bonds on all cost-plus a fixed fee contracts awarded out of any funds appropriated for the fiscal year 1941. Observers believe that from now on practically all army construction work will be done on the cost plus a fixed fee basis.

Other Bills Are Applicable

Several previously enacted bills have a bearing on the situation. For instance, Public No. 309, "An act to facilitate certain construction work for the army, etc.," authorized the secretary of war to negotiate work in Alaska and the Canal Zone, outlined the procedure to be followed in such negotiations and gave the secretary of war authority to waive the requirement of performance and payment bonds on such contracts. This bill was approved Aug. 7, 1939.

Then there was Public No. 611, an army appropriation bill for the fiscal year ending June 30, 1941. Then there was Public No. 703, "An act to expedite the strengthening of the national defense." This broadened the powers of the secretary of war in using the money appropriated under Public No. 611, with or without advertising for bids, but prohibited the use of cost plus percentage contracts. There was nothing in this act that authorized the waiving of performance and payment bonds.

Until the \$5,000,000,000 appropriations bill, HR 10263, was passed, it had been the policy of the war department to advertise for bids on defense projects except in cases where work to be done outside the continental limits of the United States had been let on the cost plus a fixed fee basis. One of the companies that keeps a close check on the awards made by the quartermaster corps which handles practically all army construction finds that during the period from June 17, 1940 through Aug. 30, 1940, the contracts let as a result of competitive bidding totalled \$37,341,770, while the work awarded on the cost-plus a fixed fee basis amounted to \$7,293,390. Bonds were required on practically all of these contracts.

H. R. 10263 will undoubtedly change the whole picture as far as the war department is concerned, observers believe. From now on it may be expected

New Production Manager for Eagle Indemnity



M. W. SLAWSON

M. W. Slawson, who becomes production manager for Eagle Indemnity at the head office, heretofore has been primarily a fire insurance man. He has been with Royal-Liverpool since 1930, first in field work and since 1930 in the head office production division.

that practically all army construction work will be done on the cost plus a fixed fee basis.

The situation in the navy department has been somewhat different. The navy department for some time has been authorized to negotiate contracts on the cost plus a fixed fee basis and it has used this authority extensively. For the period of June 17, 1940 through Aug. 30, 1940 the bureau of yards and docks, which handles all naval construction except ships, awarded only \$10,707,935 of contracts based on competitive bidding whereas their cost plus contracts totalled \$219,136,900.

There are a number of bills in connection with the defense program as carried out by the navy department. For instance, Public No. 43 approved April 25, 1939 appropriated sums for naval facilities at specified locations, allowing the secretary of the navy to negotiate cost plus a fixed fee contracts covering the work authorized in the bill and to waive bonds if deemed necessary. That bill also has this provision:

"Any contract negotiated under this section may in the discretion of the secretary of the navy contain provisions under which any loss of or damage to the plant, materials, or supplies of any contractor, not due to his negligence or fault or to the negligence or fault of his agents or servants, while the same is necessarily in transit upon or lying in the open sea for the purposes of the contract will be investigated by a board

File California Adjusters Report

LOS ANGELES—The California State Bar Association committee on claim adjusters has filed its report for presentation at the meeting in Coronado beginning Sept. 25.

Progress is reported in the setting up of a California conference committee to function along the lines of the National Conference on Claim Adjusters set up by the American Bar Association and insurance interests. However, terms must be submitted to all parties for approval. The report recommends that the rules for the California conference should be more strict than those provided for in the national conference agreement, and that with regard to the practice of law, the limitations on adjusters should be at least as severe as definitions set up in recent court decisions.

Nine Recommendations Made

The committee recommendations are:

1. The state bar shall complete the negotiations and arrangements with the insurance company and adjusters groups to create the California Conference Committee on Adjusters.
2. The state bar shall negotiate with adjusting interests not represented on the California conference committee seeking their agreement to abide by a code of rules defining what acts constitute the practice of law and should not be carried on by lay adjusters.
3. The state bar shall be guided in its activities with regard to the unlawful practice of law by lay claims adjusters, by standards not less strict than those announced in judicial decisions.
4. The state bar, before taking any action for the prevention or punishment of acts which it deems to constitute unlawful practice of law by lay claim adjusters who represent companies or who are members of associations which are cooperating through the California Conference Committee on Adjusters, shall refer the acts to the said committee and endeavor to obtain appropriate action through the said committee.
5. Subject to the limitation provided in paragraph 4, the state bar shall take appropriate action to investigate and

of naval officers appointed for the purpose and reported to the secretary of the navy who will transmit to the congress the findings of fact and his recommendations in the premises."

Public No. 588, naval appropriations bill for the fiscal year 1941, made the provisions of Public No. 43 applicable to all public works and public utilities projects of the bureau of yards and docks. This explains the large proportion of cost plus contracts during the period June 17 to Aug. 30, 1940.

Then Public No. 671 to expedite national defense applies particularly to naval vessels and air craft. This contains a provision that bonds will not be waived on contracts for ships and aircraft.

Goldwater Predicts Joint Hospital-Medical Service

BOSTON—Predictions of the development of some form of combined hospital and medical service, particularly in connection with the ward plans with which some of the hospital associations are now experimenting, were made by Dr. S. S. Goldwater, commissioner of hospitals of New York City and president-elect of the Associated Hospital Service there, at the American Hospital Association's conference on hospital service plans.

He said developments have been such "as to make combined professional and institutional service coverage almost mandatory," and in spite of the fact that the doctors insist on keeping control of the medical end, he said there "are no insuperable obstacles" to meeting the demand for such combination coverage.

"As for commercial competition with the type of ward service plan that is proposed," he added, "there can scarcely be any, because a satisfactory community plan will include elements of generous calculation by physicians, hospitals and donors to hospital funds, upon which commercial companies can make no reasonable claim—a type of unselfish calculation and service with which, as business concerns intent upon profit, they cannot compete."

He warned against a trend toward government monopoly of hospital service and said "the only way to preserve the voluntary hospital system" is to find a "reliable source of income" such as the hospital service plan.

C. Rufus Rorem, director of the commission on hospital service of the American Hospital Association, discussed "Recent Developments in Hospital Service Plans."

prevent the unlawful practice of law by lay claim adjusters.

6. The state bar through its local administrative committees shall take appropriate action to discipline actions by members of the state bar in violation of the principles of the rules herein referred to.

Legislative Action Urged

7. The state bar shall endeavor to procure the adoption by the next session of the state legislature and by the judicial council, respectively, of the statutes and rules of court referred to in the report. (The cases referred to in the report. The cases referred to of Missouri, 344 No. 932; 130 S. W. (2d) 945; 125 A. L. R. 1149 and the Milwaukee case of State ex rel Junior Bar Association vs. Rice, an appeal from which now is pending in the Wisconsin supreme court.

8. The committee on state bar activities shall be instructed to consider the advisability of including in its public relations program, educational publicity on the value of the services of an independent attorney in the adjustment of personal injury cases.

9. The board of governors shall appoint a committee on claim adjusters

(CONTINUED ON PAGE 28)

June 30, 1940 Statement Figures Filed in Georgia

	Capital	Assets	Surplus		Capital	Assets	Surplus
American Bonding	\$ 1,000,000	\$ 2,129,572	\$ 815,714	Maryland Casualty	2,544,798	39,179,547	3,141,428
American Motorists	750,000	10,110,714	1,331,031	North American Accident	400,000	3,609,846	768,425
American Casualty	563,730	8,127,014	464,309	New Amsterdam	1,000,000	27,121,137	5,000,000
Amer. Fidelity & Cas.	900,000	3,556,674	1,108,686	Ohio Casualty	600,000	9,368,139	1,300,000
Associated Indemnity	750,000	6,261,375	1,000,000	Phoenix Indemnity	1,100,000	8,340,890	2,331,066
American Policyholders	350,000	2,807,193	350,000	Preferred Accident	1,000,000	9,555,477	2,039,842
American Automobile	2,000,000	25,099,862	7,827,764	Penna. Cas. Lancaster, Pa.	300,000	1,930,123	225,000
Bankers' Indemnity	800,000	7,459,626	700,000	Royal Indemnity, N. Y.	2,500,000	35,052,600	5,000,000
Bituminous Casualty	500,000	7,049,692	1,000,000	St. Paul-Mercury Indem.	1,000,000	13,518,414	5,913,806
Century Indemnity	1,000,000	13,548,284	3,359,531	Sun Indemnity	1,000,000	6,686,566	1,807,711
Continental Casualty	2,000,000	38,652,902	7,117,205	Standard Accident	1,356,680	23,947,028	3,716,364
Car & General	750,000	49,958,086	877,824	United States Guarantee	2,000,000	17,345,864	5,934,116
Columbia Casualty	1,000,000	8,218,481	2,845,883				
Eagle Indemnity	1,000,000	9,737,976	1,500,000				
Excess	755,095	3,490,437	893,173				
Fidelity & Deposit	2,500,000	25,690,881	9,614,696				
Globe Indemnity	1,000,000	12,243,293	2,287,074				
Globe Indemnity	2,500,000	40,785,645	7,500,000				
Fireman's Fund Indem.	1,000,000	11,285,625	2,861,291				
Home Indemnity	1,050,000	7,779,567	1,968,939				
Hardware Indemnity	400,000	970,382	214,770				
Hartford Live Stock	500,000	1,437,031	562,674				
Indem. of North America	2,500,000	33,348,765	7,025,904				
London Guar. & Accel.	900,000	15,293,892	4,507,890				

	MUTUALS	
Amer. Mutual Liability	41,895,314	6,401,158
Benefit Assn. Railw. Emp.	2,539,063	1,225,484
Employers Mutual Liab.	20,514,767	4,079,952
Factory Mutual Liab.	14,841,594	7,786,670
Liberty Mutual	77,056,182	10,372,235
Lumbermen's Mut. Cas.	40,064,587	5,300,000

	RECIPROCAL-LOYDS	
Lumbermens Under. Mo.	2,017,662	983,546
National Lloyds, Md.	525,794	189,732

Need for All-Risk Liability Policy Is Pointed Out

E. W. Sawyer Sets Forth Features in Discussion of Comprehensive Form

BUFFALO—Speaking before the annual meeting of the National Association of Insurance Agents, E. W. Sawyer of New York City, attorney for the National Bureau of Casualty & Surety Underwriters, discussed all-risk liability insurance under the caption "Insurance Democracy at Work." He said that the growth of liability insurance has been haphazard and when a new type of liability became bothersome a new cover was created.

He said two theories of the separate cover system plague insurance during transition, first, severability, that is, exclusion from one cover of the hazards of another, and secondly, selectivity, that is, the requirement that the covers be selected separately.

He said that insurance democracy comprises many groups, each with different duties, interests and problems. One includes the insurance departments; another the producers; third, the carriers; fourth, buyers of insurance. He said that while it is necessary to have all insurable liability integrated in an all-risk policy, there is no alternative to leaving products liability and all property damage liability optional until the methods are developed which will produce equitable rates under all circumstances.

He gave three principles which he thinks are essential to proper rating of comprehensive liability insurance. First, the standard insurance for injuries to the person shall be insurance against bodily injuries "caused by accident," broader insurance being especially rated if afforded. Next, the use of comprehensive liability insurance to be confined to assured whose exposures produce a sufficiently large policy premium to warrant the expense of proper survey and audit. Third, the policy must incorporate the detail of the exposures covered and the rates applicable with the same thoroughness which carriers are required to use in policies covering special hazards.

At the request of the New York department standard provisions for a comprehensive general liability policy for use in New York have been prepared but not yet adopted. The principles were grouped in three classes, first, principles which state practices now generally in use in the open states; second, those peculiar to New York but which are matters of company administration rather than of substantive difference in coverage or practice, and third, those peculiar to New York which are matters of substance. Stabilization, he said, does not necessarily mean standard policies or standard provisions for policies. It need be only adoption for general use of the three principles to all carriers, Bureau and non-bureau, stock and mutual, used in New York.

Mr. Sawyer said that during the past 20 years the importance of liability insurance as a stabilizing factor in the business economy of the country has steadily increased.

Two File Medical Expense Forms

ST. PAUL—Only two companies thus far have filed with the Minnesota department the necessary forms for writing medical expense coverage. They are the State Farm Mutual and the Hardware Indemnity of Minneapolis.

Trophy for A. & H. Association Activity



At the annual convention of the National Accident & Health Association next July in Los Angeles, the local association judged to have the best record of accomplishment for the year will receive a new award, the E. H. Ferguson Trophy, presented to the National association by E. H. Ferguson, Great Northern Life, Chicago, president of the association, at a luncheon of leading officers of the organization, in Chicago. The trophy was officially accepted on behalf of the National association by Clyde E. Dalrymple, Preferred Accident, Milwaukee, first vice-president of the National.

Shown in the picture, left to right, are Frank A. Post, editor Accident & Health Review; Mr. Dalrymple accepting trophy on behalf of the association; C. Norman Green, president Indianapolis association; Armand Sommer, former president National association; President Ferguson, George L. Dyer, Jr., second vice-president National association; Donald E. Compton, president Chicago association; E. C. Budlong, executive secretary National association.

The trophy will become the perma-

nent property of any local association which wins it three times. It is patterned after an ancient Grecian column, with a male figure at the top symbolizing achievement. The figure is sunray gold finished, the column is oxydized, with the engraving showing in the pure gold color. The band on which will be inscribed the name of each winning association is sunray gold finished. It is mounted on a bakelite base. Height over-all is about three feet.

It will be awarded annually by the executive committee of the National association, or a special committee named by it. The basis for the award will be somewhat elastic, so that every association, large or small, will have a chance to win it.

The trophy will be on display at the mid-year meeting at Indianapolis in January. For the first award, at Los Angeles in June, the deadline for local association activities to be counted in the competition will be May 1, and reports from local secretaries must be in the hands of the executive secretary of the National association by May 10 in order to be considered.

Indemnity of North America Awards 900 Prizes in Remote Control Golf Tournament

More than 900 prize winners have been announced in the Indemnity of North America's remote control golf tournament, the summer feature of the company's "We're 20 in '40 and going like 60" campaign. There were 7,315 golfers who participated throughout the country on July 27 as competitors in the tournament. Of these, 1,412 were women. Agents of the company who participated as playing hosts numbered 682.

A special clerical force has been recruited to classify the scores that were returned for adjudication and for the awarding of more than 200 major prizes in the three classifications of handicaps. The handicaps were bracketed in divisions from 1 to 10, 11 to 20 and 21 to 30. Lowest gross score in the men's competition was 66, low net 57, high gross 168. The low gross for women was 75, low net 69, high gross 157. In addition to the major prizes, there will be awarded some 700 consolation prizes. Awards were under the direction of Ed Dudley, former western open champion. The process of notifying the prize winners, both in the guests' and agents' classifications, is now in progress. The winners, following notification, may choose from a number of different prizes in the various classifications to which their skill as a golfer entitles them. Russell Thompson, Glendale, Cal., won low gross in the agents' classification and W. H. Bitzer, Jr., Jenkintown, Pa., won low net.

Portland Adjusters Meet Sept. 20

PORTLAND, ORE.—Merle Henkel, newly-elected president of the Casualty Adjusters Association, has called its first meeting for Sept. 20.

Contractor Fails to Pay Liability Premiums: Insurer Sues Bonding Company

PITTSBURGH—The London Guarantee & Accident has sued the American Bonding for unpaid premiums on liability and compensation insurance defaulted by a contractor, the Ley Building Co., which the bonding company covered with a performance and labor and materialsmen's bond.

It contends that furnishing of insurance was an essential part of the contract; that the obligation was on the contractor to pay the premiums therefor; that it failed to do so and that therefore the contractor-principal did not faithfully perform the contract within the terms of the performance bond.

The contracts involved were with the city of Pittsburgh for construction of filter houses at the Kline, Arlington and Paulson swimming pools, and with the school district of Pittsburgh for work on the girls' vocational high school.

Zurich Affiliate Enriched

American Guarantee & Liability, the recently organized affiliate of Zurich, is now of larger proportions, the capital having been increased by \$250,000 and net surplus by a like amount. The increase was made to meet the requirements of one or two states. Capital is now \$1,250,000 and net surplus about \$1,500,000.

Hold First N. J. Luncheon

NEWARK—At the first luncheon-meeting of the season of the Casualty Underwriters Association of New Jersey, various casualty topics, particularly workmen's compensation, were discussed. Twenty members attended. President Joseph Comerford presided.

New Schedule Auto P. L. Form Released by Company Groups

Combines Owned Cars, Hired, Non-Ownership in Single Policy

NEW YORK—The National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance have issued a new schedule automobile liability policy, making it possible to write all automobile liability coverage of an assured under one contract. The new form is a combination of liability coverage on automobiles owned by the assured, either individual cars or fleets, hired cars and non-ownership insurance.

No substantive changes were made in any of the coverages, the advantage of the new form being its convenience. It is not blanket coverage, there being separate limits of liability and separate premiums for each of the three coverages. Protection under any item is optional. The announcement of the National Bureau stated that a comprehensive automobile policy, presumably covering all automobile liability under a single insuring clause, is under consideration.

May Use All Plans

Automobiles owned by the assured, private passenger and trucks, may be covered on the individual basis or under any of the authorized fleet plans. Alternative declarations and provisions for automatic coverage and determination of premium are provided for the different plans. Insuring clauses and conditions are the same as under the present standard automobile liability policy and the hired cars and non-ownership liability endorsements.

The new policy defines "hired automobile" as one "used under contract in behalf of the named assured." This apparently includes automobiles of independent contractors, which previously had been covered by a special non-ownership liability endorsement.

Form Indiana Safety Group

FORT WAYNE, IND.—About 250 industrial safety directors from northern Indiana attended a meeting to organize a permanent safety group to further industrial safety work. Speakers included: David Layton, Indianapolis, Indiana manager, and S. G. Porter, Indianapolis, safety engineer New Amsterdam Co.; Walter Lupke of Lupke & O'Brien, Fort Wayne, general agents, and H. W. Beegle, Chicago.

May Become Auto Self-Insurer

MILWAUKEE—A resolution introduced by Alderman Cybulski asks the city council to study the city's automobile liability insurance situation to determine whether it can save money by dropping present insurance and setting up an insurance fund. The city already carries its own workmen's compensation insurance and fire insurance on school buildings and contents.

Meussel Promotion in Seattle

SEATTLE—L. A. Meussel is promoting a reciprocal here to be known as Mayflower Underwriters. He was the promoter of American Underwriters Corporation, which was a holding company for Sunset Life, Sunset Casualty and Sunset Underwriters. Among the incorporators are R. H. Keagy, formerly connected with the Sunset Insurance Agencies and M. E. Stevenson, formerly of New York.

WORKMEN'S COMPENSATION

Payments to Alien Dependents Viewed

RICHMOND—The problem of alien dependent awards under war conditions in Europe was discussed at the annual convention here of the International Association of Industrial Accident Boards & Commissions. Considerable difficulty is being encountered in states with large foreign populations in getting awards through to beneficiaries in Europe, especially in countries overrun by Germany. In one instance when funds were forwarded to a woman in Poland, the widow of a Pole killed in an industrial accident in this country, 40 percent of the money was claimed by a lawyer representing her in that country while the remaining 60 percent went to Germany as a "voluntary loan." One way to solve this problem, it was suggested, was to hold the money in escrow in this country pending a clarification of conditions in war-torn Europe.

C. K. Newcombe, Manitoba, was named president succeeding W. H. Nickels, Jr., Virginia. W. H. Chestnut, Pennsylvania, was elected vice-president, V. A. Zimmer, Washington, D. C., succeeds himself as secretary-treasurer. The new executive committee will include N. H. Debel, Minnesota; E. C. Nelson, Missouri; E. S. Tousant, Massachusetts; Erskine Wyman, Kansas; D. J. Sullivan, Nevada. The 1941 convention will be in Winnipeg.

No action was taken on a resolution recommending a uniform law regarding the relationship of an employee and his employer while the employee is temporarily doing work for a non-resident employer.

In his welcome Governor Price of Virginia reviewed the operation of the compensation law in Virginia. President Nickels urged provisions for minimizing the number of accidents in industrial pursuits.

In a paper on "Desirability of Self-Insurance under Workmen's Compensation Systems," Dr. Walter Linn, secretary Pennsylvania Self-Insurers Association, said that for those who have grown up with self-insurance it was difficult to realize that the desirability of such a plan could ever be called into question.

Seek Liquidation of Insurance "Service" Firm

The Illinois attorney-general's office has brought a suit in circuit court in Chicago for appointment of a liquidator for Illinois Employers Service Corp., of Chicago. This concern ceased doing business two or three years ago, but the attorney-general hopes that a liquidator might be able to make some recoveries from London Lloyds under a reinsurance contract that would help pay the claims of injured workmen that have been upheld by the Illinois industrial commission. The concern is said to have no other assets except its reinsurance contract with London Lloyds.

This is one of several similar promotions that was made in Illinois a few years ago. The promoter would get together a number of employers such as junk yards and others of an undesirable nature so far as workmen's compensation is concerned. Some deposits would be put up and a filing would be made with the industrial commission in behalf of the individual employer, making him a self assured. Then there would be a reinsurance deal with London Lloyd's. The insurance department challenged these concerns, as none of them had qualified under the insurance law. They all finally disappeared and the promoters had no story left to tell when the assigned risk plan was established in Illinois.

Uninsured Wis. Employers Sued

MILWAUKEE—Alleging failure to provide workmen's compensation insur-

ance, the attorney-general's office has filed suits against 19 employers in circuit court here, each suit asking forfeiture of \$500. Under the state law, every employer of three or more persons is required to provide compensation insurance. Penalty is \$100 for each day of failure to insure payments.

Opportunity in Small Towns

Although the agent in the small town may feel that the big city agent has more possibilities for getting business, according to the government consumer-purchaser survey, the cost of rent, food and transportation declines more rapidly than income as the size of the city decreases, so that those who live in small cities have larger budgets available for other items. The average New York family that has a \$1,500 income has \$395 left for other needs compared to \$484 for similar families in Chicago, \$655 in six large cities, \$697 in 14 middle sized cities and \$799 in 29 small cities.

To the agent who must secure insurance premiums from money left over for actual living expenses, the smaller city offers the greater opportunity.

Get "Insurance Test Selling Plan," 10 cents. F. C. & S. Bulletins, 420 E. 4th St., Cincinnati.

CHANGES

F. I. Butterworth Casualty Manager Morrison & Kountze

F. I. Butterworth, recently with Preferred Accident as special agent and assistant manager midwestern department, has been made manager of the newly created casualty department of Morrison & Kountze of Omaha, general agents for Iowa, Nebraska, Kansas and South Dakota. Mr. Butterworth started in the insurance business in the automobile underwriting department of Lumbermen's Mutual, and was later with American Automobile and Hartford Accident

in the same capacity. He was married Aug. 31 to Miss Jean Hess, and they have just returned from their honeymoon in New York.

Morrison & Kountze are general agents for Phoenix Indemnity.

Quigg to Century Indemnity

A. H. Quigg, superintendent bond department Massachusetts Bonding branch office in Chicago for the last two years, has resigned to become bond department superintendent in the Boston branch of Century Indemnity, effective Oct. 1. He fills the vacancy caused by the promotion of Clark Bristol to the home office as assistant superintendent of agencies. Mr. Quigg started in the Hartford Accident home office, becoming contract bond underwriter and then was transferred to the Philadelphia branch as bond department special agent. Subsequently he went with Standard Accident at Syracuse as superintendent of the bond department, then was transferred to Chicago, becoming bond department manager. He has had about 16 year's insurance experience.

Rodney F. Stock Makes Change

Rodney F. Stock announces his resignation as assistant secretary in charge of the claim department of Dearborn National Casualty. He expects to make an announcement of his plans soon. He went with Central West Casualty in 1930 as Michigan claims manager. In 1933 he was one of the organizers of Great Lakes Casualty and became claims manager. The title of Great Lakes Casualty was just recently changed to Dearborn National Casualty.

G. L. Powledge Dallas Manager

G. L. Powledge has been appointed manager of the Dallas branch office of Standard Accident, succeeding the late O. A. Maxwell. Mr. Powledge has served for many years as special agent in the southwest and is well known in that section.

Sawyer in St. Louis and K. C.

ST. LOUIS—E. W. Sawyer, attorney for the National Bureau of Casualty & Surety Underwriters, will speak at a luncheon meeting of the Insured Mem-

bers Conference of the Associated Industries of Missouri, Sept. 24. He will discuss recent changes in compensation insurance coverage and their application to various industries. The following day he will address a similar group in Kansas City.

ACCIDENT

Provident L. & A. Honors Maclellan's 35-Year Record

CHATTANOOGA, TENN.—President R. J. Maclellan of the Provident Life & Accident was feted at a luncheon on the completion of his 35th year with the Provident and his 24th year as president.

Judge Alexander Chambliss presented Mr. Maclellan a silver loving cup on behalf of the company. Vice-president W. C. Cartinhour presented him a 35-year service pin. President Maclellan's office was filled with flowers from officials and employees. Field men and company representatives sent in letters and wires of congratulations.

He started with the Provident as secretary, sharing a double desk with his father, who was president.

Gordon, Walters in Denver

DENVER—At the September meeting of the Denver Accident & Health Association, Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, spoke on the present day trend of accident and health insurance and F. M. Walters, General Accident, Philadelphia, chairman of the public relations committee National Accident & Health Association, on public relations.

Pittsburgh Election in October

PITTSBURGH—The Pittsburgh Accident & Health Insurance Managers Association will hold its annual election at the October meeting. At the first fall meeting President W. J. McClelland, Massachusetts Bonding, appointed a nominating committee with Lon C. Jeffrey as chairman.

A resolution was adopted extending sympathy to Ralph M. Hale of Hale &

★ AIRCRAFT HULL · AIRCRAFT LIABILITY · PERSONAL ACCIDENT ★
EMPLOYERS LIABILITY · HANGAR KEEPERS LIABILITY

We are pleased to announce the opening of an office in the

INSURANCE EXCHANGE BUILDING

175 WEST JACKSON BOULEVARD, CHICAGO

Telephone WABash 1040

under the direction of

MR. E. L. STEPHENSON, Manager

to service accounts in Michigan, Indiana, Wisconsin, Illinois, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas

September 9, 1940



ASSOCIATED AVIATION UNDERWRITERS

90 JOHN STREET, NEW YORK 215 WEST 7th STREET, LOS ANGELES

★ AIRMEET LIABILITY · EMPLOYERS AVIATION INDEMNITY
★ COMPENSATION · AIRPORT LIABILITY · AIRPORT PROPERTY DAMAGE ★

Hale, a director of the association, whose wife was killed in a recent crash of a Pennsylvania-Central airlines plane in Virginia. E. E. Gangewere, American Casualty, reported on the annual week-end outing of the association in Uniontown, Pa., which was attended by 68.

Open K. C. Season Sept. 20

KANSAS CITY—The Kansas City Accident & Health Association, headed by J. M. Belwood, Connecticut General Life, will open its fall season with a luncheon Sept. 20.

To Elect a President

The directors of the North American Accident are scheduled to hold a meeting Oct. 9, at which time it is expected that a successor to the late President A. E. Forrest will be elected.

Observe Hoodoo Day in Seattle..

SEATTLE—The Seattle Accident & Health Managers Club wound up an active year with a special Hoodoo Day observance on Friday, the 13th.

Dalrymple Twin City Speaker

Clyde E. Dalrymple, Preferred Accident, Milwaukee, first vice-president of the National Accident & Health Association, will speak at the first fall meeting of the Twin City Accident & Health Association at Minneapolis Sept. 23. R. V. Lynch, Monarch Life, is president of the Twin City association.

PERSONALS

The Casualty & Surety Executives Association of Detroit gave a farewell luncheon to L. L. Coates, veteran retiring Michigan manager of the Hartford Steam Boiler, who has long been a member of the association. Harry Quinn, Maryland Casualty, president of the association, was toastmaster. He read a tribute to Mr. Coates from Wm. R. C. Corson, president Hartford Steam Boiler. J. F. Horton, Aetna Casualty, presented a picnic hamper on behalf of the association. W. H. Kerrigan, former special agent in southeastern Michigan, who succeeds Mr. Coates as manager for Michigan, also spoke.

W. R. Whitford, bonding superintendent in the Los Angeles branch office of the Hartford Accident, has been appointed a member of the educational committee of the Building Material Dealers Credit Association, to represent the surety interests. The committee is in charge of the 11-weeks course on "Construction Credits" at the University of Southern California, under the dual sponsorship of the university and the association.

Carl S. Carlson, 35, special agent Standard Accident in New England, died from injuries received in an automobile accident. He was previously with the Phoenix Indemnity and General Accident and went with the Standard Accident seven years ago.

Joseph Elwell, 46, Nebraska special agent of the Massachusetts Protective, died in Lincoln as the result of burns received while cleaning his car with gasoline. He had previously represented the Standard Life, Reliance Life and State Farm companies.

A. L. Peacher, 69, Washington National, Fort Smith, Ark., died there after six months illness.

The Ohio Hospital Mutual of Orrville, O., has been dissolved and its license has been cancelled by the Ohio department.

AVAILABLE:

Man with agency, claim and managerial experience wants position. Ohio territory preferred. Address M-19, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Veteran Coast Manager of Travelers Retires

LOS ANGELES—W. E. Shiels, Los Angeles manager of the Travelers for more than 23 years, and dean of its executives and employees on the Pacific Coast, who retired this week, has been an outstanding figure in casualty insurance on the Pacific Coast for nearly a quarter of a century. He is succeeded by Myron N. Platt, from the New York City branch of the Travelers.

Early Experience as Engineer

Mr. Shiels has devoted most of his business career to insurance, all of it with the Travelers. He was born in St. Louis in 1884 and after some years as a telephone engineer and in commercial automobile manufacturing in Toledo, he joined the Travelers there and later was sent to Detroit as special agent. He became assistant manager in Detroit and in 1917 was transferred to Los Angeles where he opened the company's first branch office on the Pacific Coast.

He is a past president of the Casualty Insurance Association of Southern California, was one of the founders of the Pacific Coast acquisition cost conference, was chairman of its automobile committee and of the bureau committee.

Lately he has devoted much of his activities to retrospective rating.

His son, W. E. Shiels, Jr., has just resigned as special agent of the Globe Indemnity at Sacramento to go with the Travelers in Oakland. He now is at the home office for further training. He formerly was with the Travelers in Los Angeles, then became special agent of the Hartford Accident in northern California and Oregon, leaving that position to go with the Globe Indemnity. John T. Shiels, the younger son, has been an agent of the Travelers in Los Angeles for two years.

State Farm Wyoming Rally

CHEYENNE, WYO.—C. N. Bell was host at a meeting here of State Farm companies' Wyoming agents. W. E. Searle, insurance director of the Wyoming state farm bureau, was in charge. Special guests were G. J. Mecherle, chairman of the board, and A. W. Tompkins, vice-president.

Proceedings Published

Proceedings of the 1940 meeting of the Insurance Accounting & Statistical Association are now in the hands of all member companies. Copies may be secured by non-members by writing to R. L. Hughes, Guarantee Mutual Life,

Omaha, director of publications of the association. The proceedings carry complete copies of all papers delivered at the life, fire and casualty sections as well as at the general session, with all discussions as well as illustrated exhibits on punch card procedure.

Complete Reinsurer's Organization

Organization has now been completed of North American Casualty & Surety Reinsurance of New York. The authorized capital is \$1,700,000, par value of the shares being \$100. Its capital has been completely paid in together with net surplus of \$850,000. The capital is owned by European General Reinsurance and Swiss Reinsurance. Apparently the new company eventually will replace the United States branch of European General Reinsurance.

H. K. Coffey, vice-president and general agent of the United Benefit Life and general agent of the Mutual Benefit Health & Accident, has formed the Columbia Aircraft Industries for the manufacture of airplane parts.

Superintendent W. J. McKinnon of the Great American Indemnity in Los Angeles will speak before the student body of Southwestern University on "Liability Insurance" Oct. 2, 4 and 9.

A NAME MENTIONED WHEREVER THE STABILITY OF INSURANCE IS DISCUSSED

Established 1897

Continental
CASUALTY COMPANY
CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL ASSURANCE COMPANY

President Smith in Chair for First Time

(CONTINUED FROM PAGE 5)

as the meeting of the Western Underwriters Association, whose by-laws stipulate the time of both its annual and semi-annual gatherings. Some of the brethren went to Buffalo but their companies were represented here. There was a very creditable attendance for the semi-annual gathering. The greatest benefit from these meetings often comes from social contacts, personal conferences and the lobby and room friendly talkfests.

LOSS REPORT

J. R. Cashel, chairman committee on cooperation in loss adjustment practices, gave a report, this being the first one under his chairmanship. He said that a review of claims adjusted during the first six months indicates that the trend of losses continues to show a gradual upturn. For instance, he said



JOHN R. CASHEL

that during this time the Western Adjustment adjusted 146,195 claims as compared with 133,042 for the similar period of last year. The Underwriters Adjusting showed 56,478 as compared with 50,777. The breakdown of the Western Adjustment claims is: Fire, 50,985; automobile, 53,272; windstorm, 35,599; sprinkler leakage, 6,339. That of the Underwriters Adjusting showed fire 22,378, automobile 17,345 and windstorm 16,755. He said that approximately 85 percent of all the claims are for less than \$1,000, although there have been seven large losses since Jan. 1, aggregating payments of \$867,772, and two incurred the latter part of last year, but adjusted this year aggregating \$434,935. It is interesting, the report said, to note a decrease of 8,100 wind claims for the period. Attention was called to the necessity for continuous vigilance and cooperation in safeguarding company interests against cigaret scorch claims.

Non Concurrency Conditions

The chairman said that with the development of various inland marine lines, particularly personal property floaters or householders' comprehensive policies where fire policies and inland marine are found on the same risks, there is an increasing number of cases where controversy is arising over the method of apportioning the loss between the two types of policies. The provisions of the inland marine contracts with reference to apportionment vary in individual instances. There is an increasing number of complaints that the apportionment is producing an undue hardship on the fire policy with the result that there is a growing demand that action be taken to insert special provisions in the fire contract in order to

bring about a more equitable apportionment.

In an effort to find some solution the committee met with adjusters, and the secretary of the uniform forms committee. It was the consensus of opinion that it is fundamentally wrong for different branches of the business to operate independently in solving problems of this kind. This is not a problem peculiar to the middle west, but it is in reality a nation-wide problem. The views of the committee have been communicated to the Inland Marine Underwriters Association. It is its understanding that the subject is now before that organization, the Eastern Loss Executives Conference and the committee on adjustments of the National Board.

Public Utility Losses

The report stated that a satisfactory agreement had been reached between fire and casualty companies affecting the apportionment of joint losses on public utility properties. It is recommended that further consideration be given to the subject in order to determine if it is not possible to extend this agreement to apply on other classes.

The report said that wind and hail claims in Oklahoma have been the subject of comment in previous reports and it has come to the attention of the members of the present committee that during heavy rain storms during the summer a large number of claims were presented for damage by wind-driven rain and leaks, where no actual wind damage was evident. In one instance, a small carpenter placed an advertisement in a local paper reading, "Roof leak—your insurance will cover repairs. Investigate." The report stated that it believes that this type of claim can be measurably controlled by company-owned adjustment bureaus.

Subrogation Department Service

The report called attention to the special subrogation department established by the Western Adjustment, saying that it renders a splendid service. The report says, "We believe it can be an important aid in placing responsibility for damage particularly in automobile accidents where it justly belongs. We are advised that approximately 5 percent of all automobile collision losses are subrogation cases, recoveries are now being made in about 50 percent of these cases and gradually the amount of recovery is being increased."

The prediction that the meeting would be devoid of controversial issues proved correct. The sessions Tuesday and Wednesday were entirely harmonious. Featuring the first day's proceedings were the addresses of President C. H. Smith and the report of the governing committee offered by Chairman J. C. Harding.

The report of the governing committee was in part an amplification of various points scored in the address of President Smith. Each stressed the necessity for strict observance of the W. U. A. rules.

Exhibit for Seven States

The committee presented an exhibit of 1939 liabilities, premiums, average rate and loss ratios for Illinois, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma and Wisconsin. Excluding specialty automobile companies, the stock fire companies received as premiums last year upon their fire, windstorm, automobile and other agency premiums, (aside from hail on growing crops) \$107,027,105, with a loss ratio on written basis of 45.1. The premium gain was 4 percent, and the improvement in loss ratio 1.9 percent. Fire premiums in those states totaled \$68,845,183, a decrease of 2.6 percent from the previous year. The average rate for fire business only was 64 cents, a 5.8 percent reduction from the 1938 average. Liabilities in the seven states on fire business only aggregated \$9,777,000,000, an increase

of 3.42 percent over the 1938 figures.

The exhibit revealed that while the premiums written decreased 2.6 percent and the average rate fell 5.8 percent liabilities were increased by 3.48 percent.

Two cases of irregular practice in connection with financing insurance accounts were reported. Each was promptly corrected by the company when the error was discovered.

The matter of commission differential between clear and mixed agencies applicable to all lines of business written by member companies is still before the governing committee for further exploration.

Memorials were offered upon the late G. G. Bulkley, president of Springfield F. & M.; W. C. Leach, president Minneapolis F. & M. and D. Cliffe Stone, general agent Nashville.

Following adjournment of Tuesday's session members of the Subscribers Actuarial Committee heard the report of Chairman E. A. Henne. Previously a session of the Western Factory was held, at which the activities for the past six months were reviewed.

Discussion of general agency operations furnished the center of interest at the concluding session Wednesday. Differing interpretations of the association rules on the subject apparently are held by a number of members. The interpretation of the governing committee is that the rules are adequate to justify the committee in requesting all members having general agency connections to file with it full and exact copies of all contracts in such relation.

The work of the committee on public relations during the past six months has been largely supplying local agents with practical material in the solicitation of business.

To the committee on arrangements was delegated power to select the place for the annual meeting next April.

WHITE SULPHUR PICKUPS

Most of the western contingent arrived at White Sulphur Springs last Saturday for the meeting of the Western Underwriters Association. Many of the officials from the east reached White Sulphur Monday. Several made the trip by motor.

Several executives who customarily attend the W. U. A. meetings went to the convention of the National Association of Insurance Agents at Buffalo instead.

P. L. Haid, president Insurance Executives Association, was at White Sulphur last Friday to confer with the governing committee. He then left for the agents meeting at Buffalo.

The weather was ideal and the golfers took full advantage of the opportunity.

Company officials from the east attending the meeting included: O. E. Lane, president Fire Association; P. B. Sommers, president American; R. R. Martin, United States manager Atlas; F. A. Hubbard, president Hanover; E. D. Patton, secretary Northern Assurance; H. A. Yates, vice-president National Union; F. C. White, vice-president Hartford; E. W. Hotchkiss, assistant U. S. manager Royal-Liverpool; R. D. Safford, vice-president Travelers Fire; F. W. Koeckert, U. S. manager Commercial Union; H. G. Casper, U. S. manager Eagle Star; L. E. Falls, vice-president American; J. K. Hooker, vice-president Automobile; R. L. Tanner, vice-president New York Underwriters and Grant Bulkley, vice-president Springfield F. & M.

Also: J. L. Mylod, assistant U. S. manager North British; S. P. Rodgers, vice-president State of Pa.; R. S. Buddy, vice-president Glens Falls; Barry Truscott, vice-president Camden.

Past presidents present at the meeting included C. A. Ludlum, S. M. Buck, G. H. Bell, J. C. Harding, E. A. Henne and A. F. Powrie.

Ronoco Policy Wallet

THE NATIONAL UNDERWRITER sells the Ronoco Wallet to hold policies. It is a new low cost form. It is made of tough, thick cover paper instead of leather. The Ronoco Wallet without wallet-ops costs 25 cents each; \$1.10 for 6; \$2 for 12 and \$8 for 50.

The Alliance Mutual Casualty of McPherson, Kan., has been licensed in Oklahoma.

"The Circle of Security" is

PROVIDENT'S new Complete Protection Program, combining the benefits of Life and of Accident and Health Insurance, offers splendid opportunities for additional Life Agencies to take advantage of a plan the public needs and wants.

Backed by a Company with more than a half-century of experience in the writing of Accident and Health Insurance, and a leader as well in the Life Insurance field.

For complete information address
Sam E. Miles, Agency Manager
Life Department

Life • Accident • Sickness • Hospital • Group

PROVIDENT Life and Accident Insurance Company

Chattanooga—Since 1887—Tennessee

Companies Able to Cover All Insurables

(CONTINUED FROM PAGE 5)

afford to be ignorant of the requirements of the needs of the members of the National Association of Credit Men, and no agent can afford to give less than prompt and whole hearted attention to any request from the association or its membership for analysis of the insurance needed by prospective debtors of credit houses, he said. Those agents who fail in the performance will weaken the value of their agencies, and those agents who persistently fail to meet this challenge of efficiency will probably be weeded out of the business.

Praise Short Course Schools

The insurance short course school projects of the National Association of Insurance Agents are of great benefit to insurance agencies, Mr. Falls said. The success of the schools in many states, notably in Florida, North Carolina and California, is attributed to agents, company employees, and certain men in the National Association, namely, L. P. McCord, Jacksonville, Fla., Sidney O. Smith, Gainesville, Ga., Wade Fetzer, Jr., Chicago, Payne Midyette, Tallahassee, and many others. He said the public relations committees of the Association of Casualty & Surety Executives have willingly contributed funds to get this work started, as they visualize the ultimate benefits to the business as a whole.

In reviewing the experience of the expense ratios of insurance companies, Mr. Falls said that the public is better benefited when it pays an average rate of 67 cents for fire insurance, even if half the rate is expense ratio, than if the public paid a dollar rate for insurance with a 38.4 percent expense ratio. The public, he added believes that expense ratios are too high and that they must be reduced. Mr. Falls cited one insurance company which had reduced its average expense ratio by 1.1 percent in the last ten years. In that same time, its average commission costs have risen 2.3 percent. Tax percentage has remained almost stationary, but it has reduced the portion of the premium over which the company has control by 3.4 percent of the premium, which is a reduction of 18.7 percent in its expenses, while its commission costs have risen 9½ percent. Substantially, the same situation exists in the offices of other insurance companies who have effected some reduction of their total expense ratios.

From this, Mr. Falls concluded, "higher commissions always result in an increase in the number of insurance agencies in the affected territory, and invariably, the higher the rate of commission allowed by the company, the lower the percentage of the premium which is retained by the bona fide agent."

Philadelphia Life Elects R. H. Beard as Vice-president

(CONTINUED FROM PAGE 4)

sequently was elected vice-president and general manager of the Calumet National Life and Calumet Casualty, two Chicago local companies. These companies were merged with other institutions, and Mr. Beard became manager of the Philadelphia Life at Chicago and later was elected a director. In all his life insurance connections he has been a member of the top production clubs, has taken numerous prizes, and has been honored in many ways.

Mr. Beard is not only a factor in insurance in Chicago, but he operates the country over, having some of the large accounts as far west as San Francisco and east in New York and Boston.

Associated with him in his agency are Robert H. Beard, Jr., John S. Miller and Val Schmidt. They are his chief lieutenants.

In one of his best years, Mr. Beard wrote as high as \$1,000,000 of life insurance in a single month.

Mr. Beard will go to Philadelphia to confer with officials from time to time. It is expected that he will be particularly effective in the western states where the company is licensed, viz., Ohio, Illinois, Indiana, Michigan and Minnesota. He, being a westerner, understands western people, and he can do much to popularize the Philadelphia Life throughout the great central section of the country.

Philadelphia Life's Standing

The Philadelphia Life is highly regarded in the business. Clifton Maloney is the president. The company still has associated with it many of the officers and employees who started with it. No general agent has been lost to the Philadelphia Life during or since the depression. The company started in business in 1906. It has \$700,000 capital and over \$200,000 net surplus. It has assets of over \$14,000,000, and insurance in force of over \$55,000,000.

The Philadelphia Life has never been a plunger, has been moving along in a quiet, orderly way, without making much noise. It writes both participating and non-participating insurance. With Mr. Beard assisting in the production end and with the general administration of the company, it is predicted there will be more activity and aggressiveness. The company bears an excellent reputation and renders the highest service to its agents.

N. Y. A. & H. Athletes Perform

NEW YORK—The softball team captained by J. Leroy Clark, Hooper-Holmes Bureau, won the six-team league baseball series in connection with the annual outing of the New York City Accident & Health Club. W. T. Hammer, Commercial Casualty, president of the club, presented the president's cup to Mr. Clark.

In the golf tournament E. A. Offermann, Continental Casualty, was first in the 18-hole medal play with J. J. Wilson, Hooper-Holmes Bureau, second. W. M. Stuart, Equitable Society, won the blind hole contest, J. A. Murphy, Standard Surety, coming in second. C. J. Haight won the kicker's handicap.

Dr. John Scharf and T. E. Schaeffler were the winning team in the horseshoe tournament. L. D. Muller and E. L. Tuohy, Metropolitan Life, won the handball tournament.

Leon Ruddy, Travelers, supervised the taking of moving pictures of the entire outing. These will be shown at the next club meeting, Oct. 17.

New Western Mutual Setup

DES MOINES—Charles S. Vance, president of Iowa Home Owners Mutual and former president of National Fire of Des Moines, was elected president of the Western Mutual Fire of Des Moines and will take office Oct. 1. He succeeds David Milligan who resigned Aug. 16 and is under indictment charges of embezzlement of company funds.

J. D. Kent, treasurer and acting president since the Milligan resignation, was named chairman. J. M. Piper of Cedar Rapids was named vice-president, succeeding F. D. Milligan of Jefferson, Ia. G. S. Blount of Des Moines was re-elected secretary.

Sues to Get Pa. License

Colonial Title Surety of Philadelphia has brought an action in Dauphin county court at Harrisburg, Pa., to compel Commissioner Taggart to issue it a license. Formerly known as Colonial Title, the company is converting itself from a title insurer to a stock casualty company. The bill alleges that Taggart wrongfully refuses to issue the license until \$100,000 in securities are deposited.

Buffalo Pays 50 Cents Extra

Buffalo has declared a regular dividend of \$3, and an extra of \$.50 per share, payable Sept. 28, to stock of record at Sept. 23.

UNLESS YOU'RE A

FORTUNE-TELLER--

you're safer in
writing the
**ALL-Risk Public
Liability
Policy!**

public liability field, it covers every unknown, as well as known, public liability contingency that could possibly arise. It can be perfectly tailored to fit the peculiarities of any risk and is usually available at a cost which compares very favorably with multiple-policy coverage. Write us for complete details.

● When you place the All-Risk Public Liability Contract you can forget the possibility of ever having to tell your client that an obscure hazard has been overlooked. This contract literally "thinks of everything."

Underwritten
by prominent underwriters and based on more than 20 years of special research in the

R. N. CRAWFORD & CO., Inc.

120 So. La Salle St., Chicago. Tel. Randolph 0750

1915 — TWENTY-FIFTH ANNIVERSARY — 1940

THE "TWO STANDARDS"

meet the specifications
of those who buy and
those who sell

Financial Strength. You have seen the annual reports of our companies. They show a high ratio of assets to liabilities, together with impressive holdings of cash and government bonds. These reports radiate "unquestioned financial strength."

The "Two Standards" support wholeheartedly, the American Agency System. They help you compete with the opponents of this system.

Do you receive such complete cooperation from the companies whose lines you are now selling? If not, tell us when we may give you complete details of the "Two Standards" methods for increasing your business.

**STANDARD SURETY & CASUALTY COMPANY
OF NEW YORK**

STANDARD INSURANCE COMPANY OF NEW YORK

80 John Street

New York, N. Y.

—Chicago Offices—
Insurance Exchange

NEW PRESIDENT



CHARLES E. ANSTETT

Charles E. Anstett of New York Life, the newly elected president of the International Claim Association, last year was chairman of the executive committee.

The new vice-president is P. J. O'Connor, General American Life; secretary, L. L. Graham, Business Men's Assurance; treasurer, F. L. Templeman, Maryland Casualty. Executive committee: W. E. Hein, State Mutual Life, chairman; F. T. Bernhard, Home Life; D. J. Reidy, Guardian Life, and Lee Wilks, Lincoln National Life.

California Bar Association Files Report on Adjusters

(CONTINUED FROM PAGE 22)

to assist in carrying on the work herein recommended.

ADJUSTERS CONSIDER SITUATION

What action the Casualty Adjusters Association should take at the annual meeting of the California State Bar Association in Colorado was considered at a gathering of the adjusters. Suggestions were offered but no formal action was taken, other than to urge all the attorney members to be present at Coronado and endeavor to prevent any adverse action.

RELEASE PROPOSALS DISAPPROVED

Proposals that releases from liability or settlements signed by injured persons within 15 days after an accident shall be presumed to be without sufficient consideration and entered under undue influence, are disapproved by a California State Bar Association committee on administration of justice. It also disapproved a proposal that evidence of declarations, oral or written, made by a person within 15 days after the injuries, shall be viewed with caution and not be admissible unless a copy is delivered to such persons within 15 days by the individual or representative of the individual against whom he has a claim. These two proposals were submitted by the committee on claim adjusters.

Substitutes Are Offered

The administration of justice committee offered a substitute for the first plan, under which copies of declarations made by injured persons must be furnished within 10 days on demand from the adverse party, otherwise they would be inadmissible.

As to the second proposal, the committee disapproved it on the ground that insurance companies would not settle claims for 15 days if it were enacted into law, thus depriving injured persons of speedy medical aid in many instances,

and barring out-of-state persons who were injured, of the chance to leave the state before a 15 day lapse.

Buckeye Union Agency Meetings

Buckeye Union Casualty and Buckeye Union Fire have scheduled a number of agency meetings throughout Ohio commencing Sept. 24 in Lima. The business sessions will be held for three hours during the afternoon with Secretary Ira L. Morris presiding and there will be a banquet with President Frederick E. Jones presiding. The speakers in the afternoon will be H. L. Andrews, underwriting manager, on "Changes in the Automobile Policy;" J. J. Cooney, liability-indemnity manager, on "Comprehensive Policy" and John A. Dodd, Jr., assistant manager Buckeye Union Fire "How to Work Renewals Successfully."

Speakers at the banquet will be Vice-president Robert E. Jones, Secretary Morris, Comptroller B. J. Mertz, and Vice-president A. R. Gibson of Buckeye Union Fire. There will be 14 such meetings, the final one being Oct. 25 in Columbus.

Cleveland Group Opens Season

CLEVELAND—The Surety Association of Cleveland launched its fall activities with a luncheon meeting at which the season's plans were discussed.

Henry Eisemann of the agency of Seaman, Taliaferro & Eisemann, Hicksville, L. I., and Mrs. Eisemann were hosts at a shore dinner for members of the official family of the home office of Standard Accident and their wives at the home of President Charles C. Bowen at Woodslee, Ont. Mr. Eisemann shipped the food in a specially built container and he presided over the cooking. Mr. and Mrs. Eisemann are famed on Long Island for their excellent shore dinners.

Graded Commission Plan Recommended

(CONTINUED FROM PAGE 21)

they do not have \$10,000 premium risks.

The opposition from the ranks evidently is due to the fear of further reductions even on smaller premiums and also that this will spread to the fire field. Agents have been confronted with reduced rates on every side and hence have witnessed their income dwindle. Many assert that in spite of decreased rates, they are not securing enough new risks to take up the slack. Further cuts in commission are therefore viewed with alarm.

Company executives are very emphatic in saying that unless some concessions can be made on these larger risks, there will be a constant exodus to the outsiders and the stock agents of bureau companies will suffer.

The committee presented its case in a friendly way, showing the conditions confronting the business but urging the agents to take hold and help solve the problem.

Illinois Licenses Reciprocal

Credit Union Interinsurance Exchange, Springfield, Ill., was licensed to do an automobile insurance business by the Illinois department. It is a reciprocal, of which C. U. Service Corporation is attorney-in-fact. J. R. Cummins is president and L. W. Nimmo secretary of the management concern. Funds consist of \$25,000, of which \$10,000 is statutory deposit.

C. G. Scholtz Is Advanced

Clarence G. Scholtz has been appointed superintendent of the expense control department of the Employers group succeeding the late William N. Simons. He has been with the group

A. & H. Association to Meet July 23-25 Next Year

LOS ANGELES—The Accident & Health Managers Club fixed July 23-25 as the dates for the 1941 convention of the National Accident & Health Association. Headquarters will be in the Biltmore hotel here.

F. B. Alldredge, Occidental Life of Los Angeles, is general convention chairman.

Pearl Case in Bay State Is Argued in Federal Court

(CONTINUED FROM PAGE 11)

General Proctor answered that the commissioner had ruled out the corporation management as a subterfuge. However, the court requested that further data be submitted on this question.

Proctor held that the statute of 1921 was the logical out-flow of legislation commencing in 1878, when the Massachusetts legislature required that all trustees holding funds for foreign insurance companies must be U. S. citizens if the company were to be admitted to Massachusetts. The 1921 statute followed the experiences of the world war and was the result of fear that another similar emergency might cause U. S. managers who were aliens to send funds out of the country which ought to be retained for protection of domestic policyholders.

As for the contention that the statute is a violation of treaties between this country and Great Britain, Proctor concluded that after all the question of property rights, whether of aliens or citizens is subject to the police power of the state.

since 1920 and has been assistant of the expense control division since 1936.

Get "Insurance Test Selling Plan," 10 cents. F. C. & S. Bulletins, 420 E. 4th St., Cincinnati.

Certified Public Accountants

FLORIDA

J. B. ASHER

Certified Public Accountant

Systems—Audits—Tax Assistance
Accounting Service

ORLANDO BANK & TRUST BLDG.
ORLANDO, FLORIDA

Orlando Phones 9821-9822

DAYTONA BEACH, FLORIDA

ILLINOIS

S. ALEXANDER BELL

Associated with

BAUMANN, FINNEY & CO.

Certified Public Accountants

Insurance Accounting, Audits and Systems

208 South La Salle Street

Chicago, Illinois

Telephone: Central 1378

CHASE CONOVER & CO.

Auditors & Accountants

135 So. La Salle Street
Chicago

Telephone Franklin 3868

SCHOOL DAYS

EVERY DAY IS SCHOOL DAY TO THE MODERN AGENT

The Dearborn National Companies are constantly devising improved methods for agents' study and action, affording intelligent agents unusual opportunities.

Fire and Allied Lines . . . Automobile . . . Inland Marine . . .
Burglary . . . Plate Glass . . . Public Liability (all Forms)

DEARBORN NATIONAL CASUALTY COMPANY

DEARBORN NATIONAL INSURANCE COMPANY

DAVID BRODERICK
Chairman of the Board

M. ROBERT OLP
President

DETROIT, MICHIGAN

POINTERS FOR LOCAL AGENTS

Credit Executive Points Out Need for Adequate Coverage

E. B. Moran of Chicago, manager central division National Association of Credit Men, in his talk before the Iowa agents referred to some cases that had come under his immediate observation to show the tragedy of not having adequate insurance. He said:

"December last, in Chicago, newspapers announced a \$35,000 fire loss in a manufacturing plant. I made inquiry about this fire. The company claimed insurance of \$25,000 on buildings and \$10,000 in stock. Investigation disclosed the loss of \$10,000 on building and \$25,000 on stock. That sounds discouraging enough, but listen a moment. Since the fire, the building has been condemned. This manufacturing company owes \$40,000 to the bank which holds the assignment of all receivables which probably was the most liquid asset available as well as the assignment of the insurance policies on stock. The building was mortgaged. After the fire, there was positively no equity. Accounts payable to manufacturers and wholesalers, approximately 100 in number, total \$30,000. The bank will not extend the loan. At present there seem no means of developing new money to re-establish the business. It will be discontinued. Merchandise creditors, 100 in number, with an aggregate account of \$30,000 will receive absolutely no dividend whatever.

Business Needs Insurance

"Within the past month in a city of 7,000 population, near Chicago, we had another reminder of the fact that business needs insurance. One of this factory's creditors in Chicago discovered the fact that this customer carried very nominal fire insurance. They said: 'No, we do not need much insurance on this brick factory of ours. We have a swell constructed building, 24 hour watch service, an excellent local fire department. We can't have more than 10 percent or 20 percent loss, at best, so we will not incur unnecessary expense of a larger policy.'

"This creditor very wisely immediately reduced his line of credit. Within a month thereafter, early on a Sunday morning, the night watchman was doing some chores. A fire started in one corner of the plant and proceeded to go to town. The night watchman knew nothing about it. After it got well under way the day watchman coming on duty saw it from a distance and turned in the alarm. The local firemen called for help to the larger nearby town. They came—half way. Then they broke down and never got there at all. Results. The plant was a 90 percent loss. At a quarter of a million dollar valuation there was only \$33,000 fire insurance and no business interruption insurance; 150 people thrown out of work. More capital must be raised before the plant can open, if at all. The community stands to lose the industry, which it can hardly afford.

"At the present time the officials of this destroyed business are in a last effort to re-organize, attempting to effect a compromise offer of 25c on the dollar with all creditors. The loss to unsecured creditors in this case will exceed the physical loss caused by the fire.

"Two years ago, one of our members in Chicago, a close friend of mine, went on an economy program, resulting from a few months of poor volume. While in that frame of mind, a \$10,000 fire insurance renewal came to his desk.

"Here's where I save \$97.00," he said, and back went the policy. The agent only 'phones him about it. The cancellation stuck. One month later he had a \$100,000 fire. The \$97 false economy cost him \$16,000. He did not understand co-insurance.

"The son of a retail druggist in Indiana, driving his father's car, killed a man. The court awarded a \$10,000 verdict. No insurance. Business assigned for benefit of creditors, dividend to creditors 18 percent.

"A light delivery truck driver for a wholesale house in the east, never known to drink, being with the concern for fifteen years took the delivery truck and two friends out to a party one Saturday night. Returning, somewhat under the weather from overindulgence, ran into a group in a street car safety zone; two killed, four more sent to hospitals. Judgments totaled \$60,000. Insurance \$10,000. The life time work of the two brothers operating the business wiped out. Creditors got sincere condolences from the bankruptcy court.

"In Chicago last March, a man lost a foot. He was a professional dancer; judgment \$50,000. Who knows what a jury will award these days?

Last May, also in Chicago, a part of a fire escape fell and injured a man. Suit commenced for \$100,000. Settlement out of court for \$33,000. Not known to carry public liability.

"A New York landlord shouted to one

of his tenants over the 'phone: 'Hello, Sweetheart.' The tenant was so surprised she tripped over a broken stair rod, fell down the stairs, was in the hospital six months. It cost the landlord \$15,000.

"A store clerk hurried from behind the counter with a box in his arms and ran into a woman customer. She was knocked down and her hip broken in the fall. There was quite a bit of doubt about the facts but the insurance company paid \$3,500.

"A stenographer of a small office was asked to stop at the laundry on her way in the following morning and pick up the supply of towels for the office. The next morning it was raining, so she asked her boy friend to drive her. After getting the towels, while en route to the office, the automobile took a bad skid, hit a woman; the policy discovered the package of towels and a lawyer enjoined her employer in the damage suit and collected \$5,500. No coverage. Compromise judgment, but left him bankrupt.

"Two men enjoyed nearly 20 years of reasonable success in partnership, until one died. The other found he had 12 heirs as partners. Couldn't reach an agreement on operations, drawing accounts or operation, threw up his hands, forced liquidation with a complete loss to himself, and a 50 percent loss to creditors. Business life insurance and proper contract between the partners would have saved the business.

"Not long ago, a hat manufacturer in Connecticut suffered the loss of its president and plant superintendent in an automobile accident. Within a year the business was forced to liquidate. Key-Man insurance might have prevented

the loss of this industry, and provided security of jobs for over 100 men and women.

"On the other hand, a newspaper in Kansas City admitted its ability to continue operation only because of the substantial cash received as a result of 'Key-Man' insurance after the death of the owner.

"A hotel in Baltimore was able to retire a preferred stock issue because the management, far sighted, had bought 'Key-Man' insurance on that management, which unexpectedly concluded in an automobile wreck.

Result of Inadequate Insurance

"It's these unexpected and uninsured losses that are not apparent in the balance sheet or the operating statement. To be uninsured or inadequately insured makes a business man a poor executive and a gambler with chance, as well as causing the gray hair of credit management, and the curtailed markets of sales management.

"A while back when I was trying to decide whether or not I should increase my life insurance, with a half dozen salesmen eagerly soliciting the business and probably hungry for the commission, a young fellow—another agent—dropped in on a cold turkey call, pulled his own scratch pad out of his portfolio and started to draw pictures in percentage for me, convinced me on his first call that I needed an increased line and a more systematic planned estate program, and when I said I would think it over, he said: 'You look like a man who would think as much of the security of your widow as you do of your wife.' He got me right then for a \$25,000 policy and on his first call."

Quiz Session at Meeting of the New Jersey Local Agents

At the annual meeting of the New Jersey Association of Underwriters at Atlantic City, a series of questions was submitted to those in attendance, there being a written 15-minute quiz. The questions were as follows:

1. The personal effects floater insures all the personal property of the insured and his family. False.
2. The wedding presents floater may be issued for a period to exceed 90 days. True.
3. The camera floater insures cameras and projection machines, but does not insure "dark room" equipment usually located at the domicile of the insured. False.
4. By securing a transportation floater a shipper can often save on shipping costs. True.
5. A musical instrument floater may not be issued for a period of more than one year. True.
6. In fire insurance, agent's compensation is the second largest item in the distribution of the premium dollar. True.

7. "Vacancy" and "unoccupancy" are synonymous terms under the standard fire contract. False.

8. Bullion, manuscripts, mechanical drawings, dies and patterns are covered in the standard fire insurance policy. False.

9. An insurance company is not liable under the comprehensive automobile coverage for loss resulting from freezing of water in the cooling system of a car. True.

10. Under a fire and theft policy, if a chauffeur takes a car without the

insured's permission and it is never recovered, the insurance carrier is liable for the loss. False.

11. Generally rent or rental values insurance should be written for either the owner of a building or the tenant. False.

12. Rent or rental value insurance may only be written to cover the fire hazard. Therefore, one cannot attach the supplemental contract to a fire policy covering rent or rental value. False.

13. A fire insurance policy does not insure the owner of property, it insures the property. False.

14. The mortgagee clause in fire insurance is a separate contract between the insurance company and the mortgagee. True.

15. Under the coinsurance form of use and occupancy insurance, ordinary payroll is not covered unless specifically insured. True.

16. Extra expense insurance is applicable to those risks where the immediate resumption or continuous operation of the insured's business is imperative regardless of the expense involved. True.

17. New Jersey will accept a certificate, from a non-admitted insurance carrier, on behalf of a New Jersey resident, as proof of financial responsibility under our financial responsibility act. False.

18. A surety company cannot collect for a loss it sustains, under a fidelity bond from a solvent employee responsible for the loss. False.

19. A plaintiff's bond is to protect a

defendant from loss and a defendant's bond is to protect a plaintiff from loss. True.

20. A court bond is used to protect one from a law suit. False.

21. A large percentage of dishonesty losses are caused by old and trusted employees. True.

22. The majority of losses caused by dishonesty of employees are covered by fidelity bonds. False.

23. No company belonging to the National Board has ever failed, with a loss to policyholders. True.

24. The Underwriters Laboratory label on a safe in no way affects the rate on the insurance on the safe and its contents. False.

25. A retail butcher carries an O. L. & T. policy. One of his employees injures a person with a delivery push cart, away from the premises. The policy does not cover this accident. False.

26. A plate glass policy covers up to \$75 for any damage to window frames. True.

27. The standard automobile liability contract does not cover claims of passengers in the automobile if there are more than eight passengers at the time of the accident. False.

28. The standard automobile liability contract covers accidents while the car is being used for demonstrating or testing, even if this use is not declared in the policy nor any additional premium paid. True.

29. Under the residence liability policy an insured is covered for his use of bicycles while on or away from his premises. True.

30. A guest had a \$350.00 ring stolen from the residence of an insured who carried a residence burglary and theft policy with \$500.00 on section (A) and \$500.00 on section (B). The loss is fully covered. True.

A · DIRECTORY · OF RESPONSIBLE INDEPENDENT ADJUSTERS

ARIZONA

LYLE ADJUSTMENT CO.
ELLIS BLDG., PHOENIX

BRANCHES
TUCSON FLAGSTAFF YUMA
Woolworth Bldg. Masonic Bldg. 524 Grange Ave.
Covering—Arizona, Western New Mexico, Southern
Utah and Imperial Valley, California

ARKANSAS

CENTRAL ADJUSTMENT COMPANY

E. E. Snapp, Manager
Suite 306 Exchange Bldg.
Little Rock, Arkansas
BRANCH OFFICES
Fort Smith Office El Dorado Office
217 First Nat. Bank Bldg. 206 N. Washington
Jonesboro Office
Bank of Jonesboro Bldg.

CALIFORNIA

W. E. GRIFFITH & SON

332 Pine Street, San Francisco
Insurance Claims Adjusters

Oakland Office: San Jose Office:
1736 Franklin 248 South First St.

W. C. NICOLL & SON

ADJUSTERS
Fire Losses — Inland Marine

Phone: 24 hour Service
San Francisco 114 Sansome St.
Oakland 4884
Butler 4884

WAGNER & GLIDDEN, INC.
TOPLIS & HARDING, INC.

INSURANCE ADJUSTMENTS
ALL LINES

Chicago Los Angeles New York
and
Offices Throughout the World

COLORADO

HENKEL ADJUSTMENT CO.

Fire—Automobile—Marine—Casualty
"Member Nat'l Assn. Independent
Insurance Adjusters"

—18 Years' Experience in Loss Adjustments—
Gas & Electric Bldg.—Denver, Colorado
Casper, Wyoming Office—Townsend Building

MURPHY ADJUSTMENT COMPANY

John A. Murphy, Manager

INDEPENDENT ADJUSTERS

402 Patterson Building

Denver, Colorado

FIRE—AUTOMOBILE—CASUALTY

DIST. OF COLUMBIA

NICHOLS COMPANY

INSURANCE ADJUSTMENTS

All Lines—Representing Companies only
Established 1921—Twenty-four hour Service
Woodward Bldg., Washington, D. C. Phone Met. 6316
Mutual Bldg., Richmond, Va. Phone Dial 3-8359
Mercantile Trust Bldg., Baltimore, Md.
Phone Plaza 6220
Masonic Bldg., Winchester, Va. Phone Win. 179
Wareham Bldg., Hagerstown, Md. Phone Hag. 798

ILLINOIS

**WILSON S. LEVENS
& CO.**

ADJUSTERS — ALL LINES

Insurance Exchange Bldg. Chicago

ILLINOIS (Cont.)

PHONE HARRISON 3250
THOMAS T. NORTH
ADJUSTMENT COMPANY

Adjusters
All Lines
Insurance Exchange Building.
175 W. Jackson Blvd.
Chicago

A. B. Litow—R. I. Hayman—Adelaide M. LeBlanc

JOSEPH RICE & CO.

Insurance Exchange Building
Chicago

Established 1899

WHITNEY & MILLER
ADJUSTMENTS

175 W. Jackson Blvd. CHICAGO

Day Phone 1472-R Night Phone 1472-W

FRANK R. SCHMIDT

Insurance Adjuster

Representing Insurance Companies

All Lines

LaSalle State Bank Bldg., LaSalle, Illinois

Covering Central Northern Illinois

PEORIA

Angus B. Ferdinand

BONDED

1046 Jefferson Bldg.

Oldest and Most Reliable

All Lines

CLARENCE W. HEYL

8th Fl. Central National Bank Bldg.

Peoria, Ill.

Insurance Adjustment Service in all insur-

ance lines.

Representing sixty leading companies.

Telephones: Office 8184.

Night 4-2051; 4-6053; 2-1537; 3-5827

LIVINGSTONE ADJUSTMENT SERVICE

C. A. LIVINGSTONE, Former President of
ASSOCIATED ADJUSTMENT BUREAU, INC.
Phone 7581, Night Phones 2-7335—3-1039

Insurance Claim Investigations and
Adjustments All Lines

619 E. Capitol Ave., Springfield, Ill.

Covering All of Central Illinois

INDIANA

CENTRAL ADJUSTING COMPANY

Consolidated Bldg., Indianapolis, Ind.

John T. Hume, Jr., V. P. & Gen. Mgr.

BRANCHES

Evansville 414 Old Nat'l. Bank Bldg. Hammond 407 Lloyd Bldg.

Fort Wayne 550 Lincoln Tower South Bend 711 Odd Fellows Bldg.

All Lines—Specializing in—Automobile—Inland
Marine and Fire.

INDIANA ADJUSTMENT

COMPANY

INDIANAPOLIS

AUTOMOBILE & CASUALTY

Resident adjusters at Evansville, Fort
Wayne, Indianapolis, Richmond, South Bend,
Terre Haute and Louisville, Ky.

Eugene McIntyre

Adjustment Co., Inc.

All lines of Automobile, Casualty and

Inland Marine

Eight East Market Street

INDIANAPOLIS

Branch Offices:

Muncie, Ind., Terre Haute, Ind.

KENTUCKY

J. H. HARRISON, INC.

All Lines

Fire — Tornado — Explosion — Riot — Automobile
— Inland Marine — Aircraft — Accident & Health —
Compensation—Casualty—Surety—Special Investiga-

tions. Over 20 Years' Experience

Stark Bldg. Louisville, Ky.

MARYLAND

NICHOLS COMPANY

INSURANCE ADJUSTMENTS

All Lines—Representing Companies only

Established 1921—Twenty-four hour Service

Mercantile Trust Bldg., Baltimore, Md.

Phone Plaza 6220

Wareham Bldg., Hagerstown, Md. Phone Hag. 798

Woodward Bldg., Washington, D. C. Phone Met. 6316

Mutual Bldg., Richmond, Va. Phone Dial 3-8359

Masonic Bldg., Winchester, Va. Phone Win. 179

MICHIGAN

ROBERT M. HILL COMPANY

INSURANCE ADJUSTERS

Fire, Automobile, Marine, Jewelry, and Furs

1714 Union Guardian Bldg.

Detroit, Michigan

Telephones: Day Cherry 4386

Night University 2-1882; Townsend 77949

ROBERT P. SCHOLTE

Houseman Bldg.

Grand Rapids, Mich.

Investigating, adjusting insurance claims,
companies only, in and around Grand Rapids.

Correspondents all nearby cities.

MISSOURI

E. L. HOTH

MANAGER

TELEPHONE

GRAND 2622

CLAIM SERVICE COMPANY

Insurance Exchange Building

TWENTYONE WEST TENTH STREET

KANSAS CITY MISSOURI

Eugene P. Donnelly

Insurance Adjuster

Automobile—Casualty—Fire—Marine

Phone Office: Vieter 3838

Phone Home: Westport 4654

606 Waltower Bldg., Kansas City, Mo.

NEBRASKA

JUDD W. CROCKER CLAIM

DEPARTMENT, INC.

INSURANCE ADJUSTERS

City National Bank Building

Phone Jackson 6394

Omaha, Nebraska

BRANCHES AT

Lincoln, Neb. Des Moines, Iowa

Grand Island, Neb. Sioux City, Iowa

North Platte, Neb. Iowa City, Iowa

Scottsbluff, Neb. Cheyenne, Wyoming

R. T. GUSTAFSON COMPANY

Insurance Adjusters—Serving Nebraska and Iowa

CASUALTY—ALL CLASSES: Auto, Liability, Com-

penetration, Burg., E&A, P. G., Bonds, etc.

AUTO FIRE, Theft, Property Damage, Collision, etc.

OMAHA, NEBRASKA

240 Keeline Bldg. Office: Webster 2851

17 and Harvey Sts. Res. Kenwood 7411

25 years experience investigations and adjusting.

OHIO

M. M. WELSH

With associate staff

1216 First National Bank Bldg.

CINCINNATI, OHIO

Phone Parkway 1896—Night & Holidays East 3906

General Adjusters for the Companies

Operating throughout Ohio, Northern Kentucky and

Southeast Indiana

OHIO (Cont.)

Telephones: J. W. Jones
CHerry 8398-8399. J. F. Karasek

JONES CLAIMS SERVICE

(Formerly Thayer Adjustments)

705 Keith Building

Cleveland, Ohio

All Lines—16 years experience

Member—National Association of Independent Insur-

ance Adjusters.

WEYER AND CORLETT

ADJUSTERS

For the Insurance Companies

Investigations, Appraisals, Adjustments

924 Union Commerce Building

Cleveland, Ohio

24 Hour Service—Call Prospect 5111

Specializing in Casualty and Entire

Automotive Lines—Special Risks

EDW. A. GEMERCHAK

401 Gardner Building

Toledo, Ohio

Telephone: Main 7811

OKLAHOMA

C. R. WACKENHUTH

ADJUSTER

1205 East 32nd Street

Phone 2-5466 Tulsa, Okla.

PENNSYLVANIA

HAMILTON ADJUSTMENT BUREAU

23 South Front Street

Harrisburg, Pa.

H. K. Hamilton, Mgr.

Phone 3-8803

THE CURLEY ADJUSTMENT BUREAU

Complete Claim Facilities for Pennsylvania,

Northern Maryland and Southern Jersey

ALL EMPLOYEES ADEQUATELY BONDED

Main Office: 509 WALNUT ST., PHILADELPHIA

Atlantic City—3700 Atlantic Avenue; Chambersburg—

167 Lincoln Way East; Erie—Masonic Bldg.; Harris-

burg—22 S. 3rd St.; Pittsburgh—1104 Investment

Bldg.; Reading—Ganster Bldg.; Williamsport—120

West 4th Street.

VIRGINIA

NICHOLS COMPANY

INSURANCE ADJUSTMENTS

All Lines—Representing Companies only

Established 1921—Twenty-four hour Service

Mutual Bldg., Richmond, Va. Phone Dial 3-8359

Masonic Bldg., Winchester, Va. Phone Win. 179

Woodward Bldg., Washington, D. C. Phone Met. 6316

Mercantile Trust Bldg., Baltimore, Md.

Phone Plaza 6220

Wareham Bldg., Hagerstown, Md. Phone Hag. 798

WEST VIRGINIA

JOHN C. WYCKOFF CO.

Insurance Adjustments

Main Office Fairmont, W. Va.

BLUEFIELD, W. VA. CLARKSBURG, W. VA.

Peery Building Goff Building

HUNTINGTON, W. VA. WHEELING, W. VA.

First Huntington Natl. Wheeling Bank and

Bank Bldg. Trust Building

CLEARSTON, W. VA.

Capitol City Building

PARKERSBURG, W. VA.

Union Trust Building

WISCONSIN

NURNBERG ADJUSTMENT CO.

General Adjusters

Fire, Windstorm, Hail, Automobile, Casualty

and Inland Marine

Underwriters Exchange Building

MILWAUKEE

825 N. Broadway Phone Daily 5489

BRANCH OFFICES:

ANTIGO, MADISON & EAGLE RIVER

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Detroit Mayor Asks Fire Rate Reduction

DETROIT—Mayor Jeffries, pursuing his project for securing a reduction in Detroit's fire insurance rates, has ordered a petition forwarded to the state insurance department demanding what would amount to a reduction of \$1,500,000 annually in premiums for the property owners of the city. The order was issued following a conference between the mayor and city officials, including A. L. Barkey, assistant corporation counsel, who has completed a survey of the fire insurance situation. "A few years ago," the mayor said, "there was a reduction in some Detroit fire rates. This particularly affected commercial rates and to a slight extent, industrial rates. It had no effect on residential rates, which compose the bulk of the business. There is no question but that such a reduction is justified and we are going out to get it."

N. S. Shapero, president board of fire commissioners, told the mayor that fire department statistics indicate that Detroit's constantly decreasing annual fire loss entitles the city to a drop in the basic rate "of at least 15 percent." He also asserted that his studies indicate that fire insurance companies have been making a gross profit (total premiums less total losses) of 65 percent on Detroit business, while a 50 percent gross profit is sufficient to show a fair return on a net basis to the companies.

Mr. Barkey and Mr. Shapero contend that Detroiters, despite the fact that the Detroit fire department has frequently been ranked as one of the best in the nation, pay the same rates that are charged property owners in smaller and less protected Michigan cities.

Ralph Martin Slated to Head Milwaukee Board

MILWAUKEE — Milwaukee Board nominees are: Ralph L. Martin, president; Thayer Z. Clayton, vice-president; William F. Koch, treasurer, and Joseph G. Grundle, secretary. A. S. Walish, Wm. B. Calhoun, and Robert C. Pittelkow were nominated for directors and Val Gottschalk, now president, as a new member of the board. Three directors will be elected for three-year terms and another to fill the vacancy caused by the resignation of J. C. Qualmann, who returned to field work in the east several months ago.

Mr. Gottschalk is retiring after three terms as president. W. F. Lynch, treasurer for 20 years, announced he would not be a candidate for reelection. Mr. Lynch, associated with the Blatz-Kasten Co. agency, is retiring from active business. A resolution was unanimously adopted by the board expressing appreciation of his long service in the interests of the local agents and the local board, and wishing him well for the future.

Rock Island Board Holds Annual Golf Jamboree

The Rock Island Fire & Casualty Insurance Board held its annual jamboree at the Rock Island Arsenal Golf Club with a buffet luncheon at noon, golf in the afternoon and a dinner in the evening. First prize in the golf tournament was awarded to L. M. Stover, Des Moines, special agent Hartford Steam Boiler, for low gross. He tied in this honor with J. D. Nuckolls, Decatur, but won the golf bag in a toss-up. Other

prizes were: blind bogey, Ross Harmon, Springfield, associate state agent, Home, and K. R. Dunkin, Peoria, Travelers Fire; non-qualifier, J. D. Wells, Chicago, field assistant Zurich; non-golfer, J. E. Crossland, Peoria, manager General Accident, and six year attendance, N. A. Young, Rock Island.

Charles J. Montgomery, board president, presided at the dinner in the evening and introduced G. E. Mendenhall, Peoria, representing Illinois Association of Insurance Agents; W. H. Jennings, Jr., Rockford, chairman of the board Illinois association; F. G. Cargill, Chicago, most loyal gander Illinois Blue Goose; F. D. Hess, Rockford, assistant manager western department American; Joseph Pelegrin, Rock Island, branch manager central office Bituminous Casualty; G. A. Cassell, Chicago, state agent Caledonian; J. B. Oakleaf, Moline, secretary Moline Fire & Casualty Insurance Association, and G. F. Keeley, Davenport, branch manager Underwriters Adjusting.

Will Name Three New Iowa Regional Vice-presidents

DES MOINES—Selection of four regional vice-presidents of the Iowa Association of Insurance Agents will be made following the Bufffalo meeting, when Lyle Jeffries, newly elected president, and other officers return.

It is reported that Frank Stouffer of Colfax has declined a second term, thus necessitating the appointment of three new officers. Mr. Jeffries and Leon Morse of Council Bluffs, new executive vice-president, formerly were regional vice-presidents and will be replaced by new men. R. S. Andrews of Sioux City is expected to be renamed.

G. H. Cockburn, Sr., Cedar Rapids, who did a splendid job as chairman of the fire prevention committee the past year, is mentioned as one of the possible appointees. The other two vice-presidents probably would be selected from the southeastern and central sections of the state.

Thompson Sells Agency Interest

Will S. Thompson, founder of the agency in Hutchinson, Kan., which he has operated continuously since 1896 in his own name, has sold an interest in the agency to N. N. Kline and the firm name is changed to Will S. Thompson-Kline Agency. Mr. Kline, now serving his second term as president of the Hutchinson Insurance Board and connected with the agency for many years, becomes its active head. Mr. Thompson

is relinquishing that connection to give full time to his duties as president of the Great American Life of Hutchinson.

Mr. Thompson was one of the organizers of the Kansas Association of Insurance Agents 20 years ago and one of its early presidents. He has been active in civic and political affairs. Mr. Kline likewise has taken a leading part in community activities and has two sons associated with insurance companies, one in Kansas City and one in Dallas.

Saginaw Awarded Trophy

SAGINAW, MICH.—Saginaw has been awarded the Paxton Mendelssohn fire prevention trophy for its 1939 low fire loss record. Mr. Mendelssohn, donor of the trophy, is a wealthy Detroitier who has made fire prevention a hobby.

Will Report on Iowa Convention

DES MOINES—The Des Moines Association of Insurance Agents will hold its first meeting since the state convention Friday noon, when committee chairmen who handled the convention will make their reports.

Thompson Kenosha Speaker

KENOSHA, WIS.—D. M. Thompson, Western Adjustment, Racine, Wis., discussed fire loss adjustments and duties of an adjuster at the monthly dinner meeting of the Kenosha Association of Insurance Agents. The school insurance committee is arranging for a fall inspection of all school buildings.

Mo. Deputy Now Company Head

Fielding P. Sizer, Jr., has resigned as deputy insurance superintendent of Missouri to become president of American Savings Life of Kansas City. He had been with the Missouri department since 1934 and since 1937 has been in charge of the securities division. He was at one time secretary of Liberty National Life when that company was located in Monett, Mo.

New Sheffer-Cunningham Scheme

Sheffer-Cunningham, independent adjusters of Wichita, has put into practice a scheme to make its service more useful to clients. Each Saturday the firm sends out about 100 letters containing an outline map of Kansas upon which is drawn the route to be taken the following week by each of the seven members of the organization that are on the road. This is appreciated by clients and has proven to be of much advantage to Sheffer-Cunningham.

New Mich. Examination Setup

LANSING, MICH.—Seth Burwell, head of the licensing division of the Michigan department, has announced an altered setup for examinations under the agents' qualification law. Hereafter examinations are to be conducted at the department offices here the first and third Tuesdays of each month. Scope of the tests also is to be broadened.

More than 500 questions and answers pertaining to property coverages are contained in a departmental manual prepared as the basis for agents' tests. It is expected that about 40 of these questions, or rephrased queries embodying the same material, will be given each applicant.

Ohio Lists Unlicensed Carriers

The Ohio department has just compiled lists of insurance companies licensed in Ohio and others, numbering about 200, which are not licensed in the state.

The preparation of the lists is a step in the campaign which the department

has undertaken to warn the public not to purchase insurance from companies not licensed in Ohio.

Lichty Waterloo President

WATERLOO, IA.—R. J. Lichty was elected president of the Waterloo Association of Insurance Agents at the annual meeting held last week, succeeding D. E. Seger. He has been vice-president. R. D. Brunn was named vice-president and H. E. Vaughan executive committeeman. B. I. Holton was re-elected secretary-treasurer.

Hannaford Committee Chairman

ST. PAUL—Jule M. Hannaford, Jr., has been elected chairman of the executive committee of the Insurance Exchange of St. Paul.

Status of Cullen & Crowther

The general agency of Cullen & Crowther of Minneapolis and St. Paul, continues to represent Dearborn National as general agents rather than the Great Lakes Underwriters department of Dearborn National as was indicated in a recent article. The Great Lakes Underwriters department is represented by the recently organized Minnesota branch of D. F. Broderick, Inc.

NEWS BRIEFS

The Insurance Buyers Association of the Twin Cities will hold a social get-together Sept. 24 to map plans for the fall and winter activities. It is planned to hold regular monthly meetings beginning in October and continuing to May.

An insurance women's association has been formed in Cedar Rapids, Ia. The Cedar Rapids Association of Insurance Agents sponsored the organization. Mrs. Laurine Clark was named temporary chairman and Bee Armstrong acting secretary.

At the September meeting of the Detroit Insurance Women's League the speaker was Harris B. Carr, resident manager of Fidelity & Casualty, on "What Makes Men Embezzle?"

The "Firefly" is the new organ of the Minneapolis Insurance Women's Association. Frances Turek of the N.E. State Bank agency is editor, assisted by Eleanor Gordhamer, Millcent Will and Alfhild Sterner.

Miss Opal McLaughlin, secretary for 3½ years for R. C. Colvin, Carl E. Smith and Byron R. Ward, state agents in Topeka, has resigned to take a government position in Washington and is succeeded by Miss June Pauley of Topeka. Miss McLaughlin has been very active in the Topeka Association of Insurance Women and now is secretary.

Thirty-two members attended the opening luncheon of the Insurance Women of Wichita, when the new officers were installed.

Peter Langley, Madison, Wis., local agent, was married to Miss Alyce Catherine Schunk at Waunakee, Wis.

Engineers of the Insurance Rating Bureau of Wisconsin and the National Board made a survey of Wausau, Wis., on application for reclassification from present fifth to fourth class.

C. M. Andrews, vice-president Monarch Investment Co. agency, who suffered a broken leg and arm in an accident with a tractor on his farm near Wichita, returned to his office this week but his leg will be in a cast for a couple of months.

The annual meeting and election of the Cuyahoga County Board of Underwriters is being held Thursday evening

Reelected

MINNEAPOLIS—Frank S. Preston, Minneapolis, has been reelected executive secretary-treasurer and national councillor of the Minnesota Association of Insurance Agents. This action was taken by the executive committee shortly before the Minnesota delegates left for the national meeting at Buffalo. The committee also decided to hold the mid-year meeting in St. Paul, probably in March though the exact date will be set later.



Frank S. Preston

of this week at Stouffer's restaurant. Edwin A. Strauss is now president.

Due to a printer's error the name of **R. O. Young**, manager of the Omaha service office, was omitted from the paragraph of the report of the Iowa agents' convention referring to the representation of National Security of the North America group.

Donald O. Jones of the Jones & Young agency Des Moines will be married Oct. 19 to Elizabeth Fields, also of Des Moines.

The Hallowell Company and the W. H. Howrey Company, **Waterloo, Ia.**, have merged into the Glass-Howrey Company.

Robert Ethun of the Ethun Insurance Agency, De Forest, Wis., and Miss Evelyn Hamre were married at Morrisonville, Wis.

S. R. Sharpe has purchased the R. K. Fravel agency at **Plain City, O.**

SOUTH

Dwelling and "Abstract" Rates Are Cut in Kentucky

LOUISVILLE—Rate reduction on the dwelling class of about 10 percent and on so-called "abstract" business of about 20 percent becomes effective in Kentucky Sept. 22, the insurance department announces. In towns of classes 1-6 the reduction in rates on dwellings is 2 cents for brick construction and 4 cents for frame. In towns of classes 7-8 the reduction is 4 cents on dwellings of brick construction and of frame construction with approved roof and 6 cents on frame construction with unapproved roof.

The new "abstract" schedule which applies to mercantiles and other risks other than dwellings in rural territories, in addition to producing a decrease in rates of about 20 percent is brought up to date in many particulars. Changes that have been introduced in other states are made applicable in Kentucky.

The special schedule that has heretofore been in effect for Kenton and Campbell counties (Covington and Newport) is abolished and the new Kentucky schedule is applicable statewide. This produces a rate reduction in Kenton and Campbell counties but the reduction there is not as great as in other parts of the state.

The insurance department states that the reduction in rates for "abstract" business will be the first in 20 years.

Fire Insurance Course at University of Richmond

RICHMOND, VA.—A course in fire insurance will be offered during the 1940-41 session of the University of Richmond's evening school of business administration. The course will be conducted under the supervision of a committee headed by Marshall Speight, state agent of Globe & Rutgers, representing the Stock Fire Insurance Field Club of Virginia. Other field men of the committee are T. H. DeGraffenreid, North British; Sidney Clark, Liverpool & London & Globe, and R. C. Rice, Phoenix of London. Richmond local agents on the committee are F. H. Goodridge, representing the Insurance Exchange of Richmond, and D. C. Hancock, representing the Virginia Association of Insurance Agents. Chairman Speight expects the enrollment for the course to total 50 or more.

The past summer, upward of 200 insurance men and women attended a short course sponsored jointly by the university and the Virginia Association of Insurance Agents.

Exchange Discusses Cooperatives

JOHNSON CITY, TENN.—The Johnson City Insurance Exchange at its September meeting discussed "Cooperatives," with Gordon Wiles, manager of the local telephone exchange, as an

outside speaker. W. M. Harris, president Tennessee Association of Insurance Agents and a member of the exchange, took part in the discussion.

Tulsa Agency Gets Alliance

Pearce, Porter & Martin of Tulsa have been appointed Oklahoma state agents of the Alliance of London, which was recently licensed in the state.

Oklahoma Rate Hearing Sept. 26

OKLAHOMA CITY—The hearing to determine the adequacy of fire insurance rates in Oklahoma, scheduled for Sept. 16, has been postponed by the Oklahoma insurance board to Sept. 26. At that time company representatives have been requested to appear and submit schedules and experience data with a view of considering a reduction from present rates on all types of fire insurance.

Morgan Heads Atlanta Agents

ATLANTA—The Atlanta Association of Insurance agents at its annual meeting elected Henry D. Morgan, president; S. Dan Smith, vice-president and Irwin Wootton, secretary-treasurer. Rutherford L. Ellis is retiring president. Relected on the executive committee are Don Bolton, Frank Boston and James Dunlap. New members are: James Wilcox, Richard Hardwick and Cobb Torrance.

President Ellis urged the new administration to continue fire prevention and

traffic safety work because it had brought much benefit to the local agents. Mr. Bolton reported that an arrangement had been made for the fire, extended cover and liability insurance on the Atlanta FHA projects to be written through Atlanta local agencies in stock companies and that 80 percent of the commission will be allotted to the treasury of the association.

Homer Sanford, speaking for the association, presented Mr. Ellis a silver wine bowl in appreciation of his work.

NEWS BRIEFS

Sam S. English, Sr., Louisville, has been appointed clerk in charge of the state fire and tornado fund in the Kentucky department. The fund provides insurance on state property.

The **Winter Haven, Fla.**, local board has adopted the "in or out" rule.

Stuart Ragland, Jr., whose father is one of the outstanding local agents of Richmond, Va., attended the civilian military training camp at Camp George Mead in Maryland and in a competitive contest won a scholarship to the Virginia Military Institute.

Charles E. Byron, president of the Nashville Insurance Exchange, has been elected a member of the board of governors of the newly formed Nashville Optimist Club.

R. E. Corbett of New York has joined the Martin & Sanford agency, **Augusta, Ga.** He is a son-in-law of Davenport Sanford, owner of the agency.

EASTERN STATES ACTIVITIES

Vermont Agents' Association Elects Allen President

Calling for conferences and cooperation of the companies before problems developed, **H. F. Shea**, vice-president Paige & Campbell, Barre, for the last three years president of the Vermont Association of Insurance Agents, gave his last president's report at the annual meeting of this group at Fairlee. He was succeeded in office by **H. A. Allen**, president Howard A. Allen agency, Burlington. Mr. Shea becomes national councillor and chairman of the executive committee. **G. W. Buck**, vice-president W. H. Wills Agency, Bennington, was elected vice-president and **A. C. Mason**, Rutland, was re-elected secretary-treasurer.

The new executive committee consists of **N. L. Smith**, Brandon; **A. W. Hawkinson**, St. Johnsbury; **W. C. Lawrence**, Springfield; **C. J. Cameron**, White River Junction; **E. G. Welchman**, Woodstock, and **J. J. Willis**, St. Albans.

President Shea, in reviewing his three years in office, recommended what he thought were necessary changes for the betterment of the association. In discussing the placing of state insurance through the state department's calling for bids, he criticised severely the fact that the bids have been made with the agents' commission taken off or greatly reduced. He said that this was contrary to the principles of the American agency system, and although he had no solution for this problem, he believed that it should be gone into very thoroughly. Also along this line, Mr. Shea turned to the over-the-counter-writing by Vermont fire insurance companies and stated that although he had letters in his office from most of the do-

mestic companies stating that they do not do home office underwriting, there are those who do it, which is again against the agency system.

Mr. Shea was optimistic about the financed automobile problem, declaring that in his opinion the agents would get more of this business if they went after it. He was referring to the business that can be had in local banks financing cars and placing their insurance with local agents.

Lauds Cooperation of Companies

The outgoing president said that one of the nicest things he has experienced in the past year has been the cooperation received from local companies. He said that they had a meeting with the Mutual Association executives of Massachusetts and that he believed that the time is ripe to have a meeting of the executive committee of the association and stock fire association executives. He said that he did not think it necessary to wait until such time when problems arose before having the meeting.

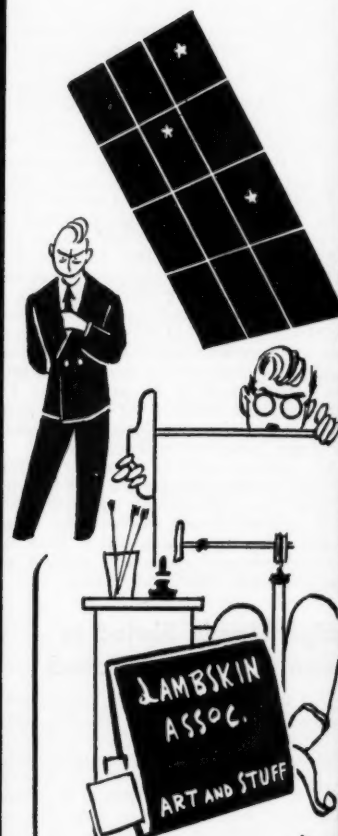
He discussed the educational program which began with a short course school attended by nearly 100 in the summer, and declared, "I am thoroughly convinced that education in the insurance business has become a necessity and the sooner the entire membership of the association desires to obtain as much education as possible, the more help we agents will be to the public and our pocketbook."

Of the schools, he said, experience indicates that probably such schools

should concentrate on one subject at a time. Noting that parts of any educational course are bound to be familiar to the experienced insurance men, he declared, "if any man in our association can say that he is familiar with all changes made in contracts during the past year, he is a better man than I."

Hartford College Again in Session

The Hartford College of Insurance opened its second academic year Monday. The new home which the Insurance college shares jointly with the Hartford College of Law was formally opened Sunday, when insurance officials,



MAX, YOU'D BETTER BUY PLENTY OF COLD INK—NEXT YEAR IS CAMDEN FIRE'S 100TH ANNIVERSARY AND WE'LL NEED IT.

AND HAVE MORGENTHAU ON OUR NECKS?

CAMDEN FIRE INSURANCE ASSOCIATION, Camden, N. J.

Reduce Insurance Rates

Recommend
JUSTRITE OILY WASTE AND SAFETY CANS
Approved and Labeled by the Underwriters Laboratories and Associated Factories Mutual Insurance Co.'s
JUSTRITE MANUFACTURING CO.
2607 SOUTHPORT AVE. CHICAGO, ILL.

FACTUAL APPRAISALS

Impartial Valuations of Industrial and Commercial Property... A quarter century of factual appraisal service to America's more conservative business institutions.

The Lloyd-Thomas Co.
APPRAISAL ENGINEERS
EXECUTIVE OFFICES

NEW YORK 350 FIFTH AVE.
CHICAGO 4411 RAVENSWOOD AVE.
DISTRICT OFFICES IN OTHER PRINCIPAL CITIES

students, alumni and interested citizens of Hartford inspected the new quarters.

The Insurance College, the first degree-granting post-graduate school in the country devoted entirely to insurance, offers an insurance administrative course, leading to the degree of bachelor of insurance administration, and in cooperation with the faculty of the Hartford College of Law, it offers a combination insurance-law course, leading to the degree of bachelor of laws and bachelor of insurance administration. The insurance classes are held in the evening, while the law classes in the combination insurance-law course are held during the day.

The insurance instructors are junior executives of the Hartford companies.

Essex County Annual Meeting

NEWARK—The annual meeting of the Essex County Insurance Agents Association will be held Sept. 30 at the Montclair Golf Club. The nominating committee has selected the following slate: President, G. E. Jamison; vice-president, A. L. Zimmerman; secretary, C. W. Bollinger; treasurer, Andrew Jack; directors, Fred Westervelt, George Askin and Philip Sobel.

Ray C. Dreher, advertising and sales promotion manager of the Boston and Old Colony, will talk on "What About Your Plan of Progress."

Oppose Minimum for Women

BOSTON—Manager Edmund S. Oppenheimer of the Associated Insurance Agents & Brokers appeared before the state minimum wage commission at its final hearing on proposed standards of wages, and opposed the minimum scale of \$16.50 for women workers in insurance offices. He argued it would work a hardship rather than a benefit on employees in the smaller agencies. The Associated Industries of Massachusetts and many heads of business concerns also opposed the measure.

Philadelphia Banquet Feb. 3

E. E. Lindner, Indemnity of North America, general chairman of the annual banquet of the Insurance Society of Philadelphia, has announced that the banquet will be held on Feb. 3, 1941, at the Penn Athletic Club.

New Hampshire Fire Outing

The annual outing of the Profile Club of New Hampshire Fire home office was held at Wentworth-by-the-Sea, Newcastle, N. H. President James D. Smart of the New Hampshire Fire and Vice-president O. A. Dexter of the Granite State, were the honored guests. President Russell Amadon of the Profile Club got out 150 members for the outing.

Mass. Agents Meet Oct. 7-8

President F. R. A. McGlynn of the Massachusetts Association of Insurance Agents announces that the annual meeting will be held at the Bancroft hotel in Worcester Oct. 7-8. There will be a dinner Monday evening, Oct. 7, and an all-day business session Tuesday.

Worcester North Agents Elect

BARRE, VT.—At the annual meeting of the Worcester North Association of Insurance Agents, these officers were elected: President, E. H. Merrill, Winchendon; vice-president, H. M. Ball, Gardner; secretary, L. H. Carter, Gardner; treasurer, R. B. Greenwood, Winchendon.

Secretary A. H. Clarke of the Massachusetts association spoke on state association work, and W. T. Jordan, general agent Fidelity & Guaranty Fire, stressed the profit motive campaign.

Map N. Y. Federation Meeting

The program has now been printed for the annual convention of the Insurance Federation of State of New York to be held in New York City, Oct. 4-5. A good many of those in the city for the occasion will probably visit the

New York fair Oct. 4 and that day has been designated as "Insurance Federation Day" at the fair. The banquet will be held that evening at the Hotel Astor. The principal speaker will be Dr. Allen A. Stockdale, a professional speaker.

The business session will take place the morning of Oct. 5 in the Astor. John F. Ackerman of Binghamton will give the presidential message; Floyd N. Dull, New York, will report as chairman of the executive committee; Ray S. Choate, vice-president of American Automobile, New York, who will give the finance committee report; L. L. Saunders of Albany will report as executive secretary; Alexander J. Young of Albany as treasurer. Then will come the election and following that a meeting of the directors and of the executive committee.

Mays to Talk to N. J. Realtors

M. W. Mays, acting director Business Development Office, will speak on "Insurance in the Realtor's Office" at a meeting of the New Jersey Association of Real Estate Boards in Asbury Park, Sept. 20.

At the first fall meeting of the Hillsborough county division of the New Hampshire Insurance Women's League, W. J. Hutchins, state agent America Fore, gave some "Helpful Hints."

COAST

Special Rules and Forms Promulgated for Pacific Gas & Electric Co. Line

SAN FRANCISCO.—Interim insurance on the properties of the Pacific Gas & Electric Co. of San Francisco, involving estimated premiums of more than \$118,000 and fire and lightning coverage of \$14,580,000, has just been completed under special forms and rules promulgated by the Pacific Board. The rate for fire and lightning for three years is 13 cents.

The insurance includes extended coverage—items not in the standard form—in the amount of \$14,580,000 with a rate of 18 cents for three years and an equal amount of earthquake insurance at a rate of 50 cents for three years.

The contract also provides that so far as fire and lightning are concerned, properties separately located, having a value of less than \$10,000, shall be excluded; in case of the extended coverage endorsement the company shall be liable for losses only in excess of \$200,000 and in case of earthquake damage, the loss must exceed \$2,200,000 before the insuring companies are liable.

It is specified also that the form and rates at this time are strictly temporary and effective for one three-year term only. No policies may be issued expiring later than May 1, 1943, nor may any policy be endorsed to provide coverage beyond that date.

It is understood that the business was handled by Marsh & McLennan of San Francisco.

Name Idaho Executive Secretary

BOISE, IDA.—The Idaho Insurance Agents association has appointed W. L. Bear of Boise as executive secretary, Fred G. Ensign, president, announces.

Idaho Code Committee Meets

The insurance code committee recently constituted by Insurance Director Walrath of Idaho, held a hearing in Boise to decide how to attack the problem of recodifying the insurance law. It is probable the old law will be rewritten and submitted to the legislature which will meet in January, rather than to draft an entirely new code. B. Wapenheim represented the National Board, Inland Marine Underwriters As-

sociation and Association of Casualty & Surety Executives, others on the committee being Z. R. Millar, representing American Mutual Alliance and Idaho benefit associations; W. E. Babcock, Idaho Association of County Farm Mutuals; H. C. Schuppel, Idaho Association of Life Underwriters; D. F. Crandall, Life Presidents Association; Ray McKaig, representing reciprocals, and Fred Ensign, Idaho Association of Insurance Agents.

Loss in Billings Hotel Fire Is Set at \$650,000

BILLINGS, MONT.—Loss as a result of the fire that destroyed the Northern Hotel here is estimated at \$650,000. There is \$548,000 insurance involved. Of that amount \$358,000 was building and contents coverage of the hotel and \$90,000 was U&O on the hotel. There was \$100,000 insurance on stocks of merchandise of other occupants of the hotel building. The Northern Hotel was a four-story structure 38 years old. The Billings Investment Co. was owner of the building. Most of the stock in the first floor stores of the building was a total loss. All of the 75 guests that were in the hotel escaped without injury.

Boyle Is Forum Speaker

SAN FRANCISCO—H. J. Boyle, general manager Fire Companies Adjustment Bureau, addressed the Fire Underwriters Forum on "Adjustment of Fire Losses." P. F. Gardiner, Norwich Union, was chairman.

Eighteen new members were admitted, bringing the membership to 117.

Oakland-East Bay Officers

In addition to the election of Neal Harris of Oakland as president of the East Bay Insurance Exchange, S. G. Macbeth of Oakland was elected vice-president; C. W. Savage, second vice-president and C. G. Mehrrens, Alameda, secretary-treasurer. On the executive committee are: J. A. Eggers, Oakland; S. F. Hammond, Jr., Oakland; H. E. Lewis, San Leandro; A. J. Mathebat, Alameda; B. A. Palmer, Berkeley; J. S. Sloan, Albany; P. E. Snook, Oakland.

S. G. Macbeth, president last year of the Oakland Association of Insurance Agents, was elected secretary-treasurer for the coming year. Elected to the executive committee of the Oakland association are R. C. Fisher, C. H. Mc-



THE NUT THEY COULDN'T CRACK

For nearly fifty years, the commercially valuable palm nut of Central and South America defied the machine age. Native methods of cracking it were inefficient and wasteful. Engineers tried machines but found its shell so hard that when sufficient pressure was applied to crack it, the kernel was destroyed.

A secret cracking process, however, has at last been perfected, and now this valuable little nut—kernel, shell and husk—is beginning to make its way into the stream of world commerce as a vegetable oil for soaps and cooking—activated carbon for gas masks—filler for the linoleum you walk on—and dozens of other uses.

To bring this product into commercial use the problem of insurance was not such a hard nut to crack.

Whether it's South America, the Orient or elsewhere, brokers and agents can offer their clients, through the A. I. U., the complete facilities of a world-wide organization and the added advantages of American coverage.

AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION



111 John St., New York 340 Pine St., San Francisco



The CHARTER OAK FIRE INSURANCE COMPANY

~HARTFORD, CONNECTICUT.~

ONE OF THE TRAVELERS COMPANIES

Aleer, C. M. Putnam, W. T. Robertson, G. H. Christ, S. E. Beckwith, E. F. Hill and C. B. DeVilbiss.

NEWS BRIEFS

Henry Boos, chief accountant Pacific Board, addressed the Insurance Accountants Association of San Francisco, explaining the board's new plan for investigating delinquent agency balances.

H. E. Ward has joined the Brown General Agency of Seattle as special agent, covering eastern Washington.

Herbert M. Gould, II, whose father established the Seattle general agency of Gould & Gould, announces the birth of Herbert III, who is destined to carry on the business.

R. C. Collins, head of the inland marine department of Marsh & McLennan, will give his second lecture in inland marine underwriting to the San Francisco Insurance Women's League Sept. 26. Dr. J. M. Meherin gave an informative lecture on "Burns"—having to do with claims.

Bert Stewart, Jr., associate editor of the "National Motorist" of the National Automobile Club was married at Reno to Miss Myrle Ahleen Minson.

CANADIAN

Ontario Department Will Tighten Up on Licenses

TORONTO—A. W. Rogers, agency officer of the Ontario department, says there are too many insurance agents operating in Ontario today who are not qualified to act as such. As of Sept. 30, 1939, there were 6,055 fire and casualty agents in the province. It is believed that this aggregate was some 300 below the previous year. At that, the figure could be safely reduced and still provide the industry with ample representation, in Mr. Rogers' opinion.

All fire and casualty insurance agents' licenses come up for renewal Oct. 1. The department, now more than ever before, will continue its efforts to rid the business of its deadwood, Mr. Rogers stated. It is going to tighten down on renewals, especially where the applicants do not seem to be bona fide agents.

Retain Members Who Enlist

TORONTO—Charles Priestman, secretary of the Ontario Fire & Casualty Insurance Agents Association, has announced that the association will retain as members all members who join up for active service for the duration of the war. Members who enlist will have their association dues paid in full and on their return they will still have their membership intact. All members leaving for overseas or home defense service also will be kept informed of important developments in the insurance business by the association.

New British Columbia Rules

The British Columbia Underwriters Association has authorized the writing of additional living expense insurance in its territory, and also announces that the coinsurance deficiency clause may be used in connection with those policies where there is fluctuation in value and which are subject to coinsurance.

Hike Montreal Burglary Rates

MONTREAL — Burglary insurance rates here have been increased by the Canadian Underwriters Association.

Last year's fairly high rate of \$1 per \$100 has been stepped up to \$1.25, which means that now Montreal has the highest rate for burglary insurance of any district in Canada.

Economical Mutual Appointments

H. J. Orpen, formerly with the North British & Mercantile, has joined the head office of the Economical Mutual

Executive Secretary of Brokers Exchange Dies



HUGO MEYER

Funeral services were held for Hugo Meyer, 60, secretary Insurance Brokers Exchange of San Francisco for four years, with a large group of prominent brokers and company executives attending. Mr. Meyer died after being confined to his home for four days suffering from an illness which was not considered serious. He went to California in 1933 after being active in Chicago as a banker and executive of the Illinois Automobile Club, which he helped found.

Mr. Meyer's administration of the affairs of the Insurance Brokers Exchange brought about a complete revitalization of that organization and as a result the exchange became a constantly increasing power for constructive movements in the business. His legislative activities brought about a new understanding with a great many of the conservative legislators, a number of whom were in San Francisco to attend the funeral.

Mr. Meyer's son, Roy E. Meyer, is manager of Froggatt & Co.'s branch at Dallas.

Pallbearers included Samuel Carpenter, Jr., manager Pacific Board; E. Pym Jones, president; R. D. Connolly, first vice-president; R. D. Blake, second vice-president; and other members of the exchange's board of governors.

At a special meeting of the board of governors, shortly after Mr. Meyer's death, J. H. Voorsanger was appointed temporary secretary.

Fire as superintendent of the accident and sickness department. G. E. Keele, formerly with Norwich Union Fire, has been appointed inspector in eastern and northern Ontario.

Mutuals on Toronto School Line

TORONTO—American mutuals will share in the insurance coverage of Toronto schools, the Toronto board of education has decided.

Fire insurance coverage on Toronto schools aggregates \$1,762,500. As a result of the vote of trustees 75 percent of this will be placed with companies already holding policies and the remaining 25 percent with American mutuals.

May Divorce Auto Finance, Insurance Functions in Texas

AUSTIN, TEX.—Recommendations of a special committee of the Texas house of representatives, which during the past year has investigated insurance rates, likely will be completed next week. The proposed legislation will go before the next regular session of the legislature, which opens Jan. 14.

It was learned that one of the important recommendations will be for legislation to divorce automobile finance

companies from insurance carriers. The aim of the committee will be to obtain legislation assuring the insured an opportunity to exercise his own choice of an insurance carrier when purchasing a car under a finance plan.

Canfield Detroit Manager

J. B. Canfield, who has been marine special agent of the Automobile of Hartford in Kansas City 2½ years, has gone to Detroit as manager of the marine department.

S. O. Smith Reports for Administration

(CONTINUED FROM PAGE 3)

state business." Progress has been made but the job has not been completed, he declared.

At the outset the conferees approached the question of a comprehensive licensing and countersignature law but the issue was narrowed to that of a reasonable countersignature law only. In seeking to reach an agreement between agents, companies and insurance commissioners, the two controversial questions are those of countersignature by salaried employees and whether the law shall set forth how the commission shall be divided.

Auto Finance Question

On the question of auto finance business, Mr. Smith referred to the fact that the National association recommended to the National Automobile Underwriters Association that the agents and companies, jointly, foster automobile financing by local banks and the insuring of encumbered cars by local agents. Mr. Smith gave no indication of whether this is still a live issue. He concluded by saying:

"If the finance companies of the country would accommodate their practices to a recognition of the American agency system and permit the insurance required in a given community to be written by local agents they would then place themselves in a cooperative position which would receive the acclaim of every insurance agent in the land and almost every insurance company as well."

The demands on the part of automobile finance companies for participation in more and more of the premium dollar, Mr. Smith declared, have caused the business to be no longer profitable to insurance companies. For that reason attention is directed to developing some scheme to restore insurance on financed business to insurance practitioners that are not connected with finance companies.

Commission Reduction Plans

Mr. Smith recalled the various proposals that were considered by the NAUA all of which provided for a commission reduction.

"During all these negotiations," Mr. Smith said, "the administration of the

National association has stood as the watchtower guarding the interests of the production forces of the nation reconciled with the necessities of the case."

The National association, he said, agrees with the companies that high commissions on large finance accounts are an evil that should be corrected immediately. The agents also agree that the increasing number of specialty insurers owned or controlled by finance companies is a cause of concern. The National association contends that an invasion of the insurance business by financial institutions because they are in a position to exercise the coercive power of credit, is inimical to the public interest and to the institution of insurance. Banks and financial institutions should stay in the banking or money loaning business entirely separated from insurance, he said.

When the business of extending credit and the business of writing insurance are joined in one transaction or very closely related, the public welfare is jeopardized and the agency organization is damaged.

Compulsory Auto Cover

Mr. Smith refrained from taking a positive position on the matter of compulsory automobile insurance. The insurance business, he said, must now focus its attention more strongly than ever on the problem. It should take an active part in research and development of a solution. If compulsory insurance must come, then the industry should try to see to it that a practicable, workable and sound system is adopted.

The National association is in the midst of attempting to get up a working program of cooperation between its members and the National Association of Credit Men, Mr. Smith declared. There is a big opportunity for both groups in collaboration and the question is being studied broadly before the articles of procedure are definitely set down. He predicted that eventually there will be a simple and practical arrangement.

Graded Commissions

The members pricked up their ears when Mr. Smith got to the very live subject of graded commissions. The casualty and surety business, he said, is "flirting with the proposition of graded commissions applied to sizable premiums." The idea was introduced several years ago, he said, by the bonding companies in connection with large federal contract bonds. The National association gave its approval to a low commission schedule on certain large bonds. According to Mr. Smith, the agents' organization felt that this was an emergency situation, that it would apply to just a few bonds and that it would not set a precedent. However, he said that it proved to be an incentive for the extension of the idea. The latest development, he said, is the plan suggested by the National Bureau of Casualty & Surety Underwriters of applying the theory of graded commissions to boiler



One of the Few Famous Hotels in
AMERICA

When important events come to Philadelphia, you'll find them at the Bellevue. The Republican National Committee had its headquarters here, of course. So did the Democratic National Committee four years ago. It is where things happen, and outstanding people stay. It is the meeting place of people who do things in business, art and social life.

Reasonable Rates

BELLEVUE-STRATFORD
IN PHILADELPHIA
CLAUDE H. BENNETT, General Manager

and machinery insurance. The companies, he said, propounded to the National association the question: "What does the National association believe would be a proper and reasonable breaking point in boiler and machinery premiums above which graded expenses and commissions are to become effective?"

Question Is Controversial

The question is similar to the famous one: "When did you stop beating your wife?" It supposes that there is a breaking point and the question is where to find it. The question is controversial, Mr. Smith said. Some agents espouse the theory of graded commissions and some do not. Some agents are already operating upon that basis in connection with certain lines. Involved in the graded commission question is a possible conflict between local agents, general agents and brokers.

Mr. Smith avoided stating a definite conclusion. The questions, he said, are inherently part of the insurance business as it attempts to meet modern business conditions. The answer is not simple, he declared.

On the question of cooperatives, Mr. Smith said there is a bill pending in the Senate to establish a division of cooperatives in the department of agriculture. Henry Wallace advocated passage of the bill in strong terms. "He wanted to have established in the department of agriculture a homing nest in order that the consumer cooperative movement already in existence in the country shall be further fortified, protected and extended. Whatever virtue there may be in the government subsidizing farmers marketing cooperatives, it becomes iniquitous to include consumers cooperatives, thus destroying the middleman."

Mr. Smith referred to the fact that the membership of the National association on the last day of the fiscal year stands at an all time high. There is within the membership about 78,000 licensed producers. The National association is a greater stabilizing influence than at any time in its history.

W. H. Bennett Puts Glasses on National Capital

(CONTINUED FROM PAGE 3)

forth the argument that since the HOLC had an insurable interest in the property it was one of the insured. Subsequently, the New Jersey attorney-general reopened the question and rendered an opinion that the contract did not violate the rebate statute. The SCA was very efficient in handling this matter, he said.

Mr. Bennett said that Wisconsin, Missouri and Kansas have taken the position that the contract is in violation of their laws. The principal allegation is that the contract offends the anti-rebate statute. He predicted that when the state officials are given a complete understanding of the circumstances surrounding the transaction, the objections will be withdrawn. The matter is being taken up with these commissioners, he said. The service that is rendered by HOLC, he said, has no relation to a mortgage and the SCA agrees to compensate the HOLC for such services because the companies are thus relieved of a sizable item of expense. The home owner who pays the premium has no connection with the transaction but benefits from it.

Southern Commissioners

Mr. Bennett said that the commissioners of Tennessee, Florida, Georgia, Alabama, Mississippi, Missouri, Kentucky and Louisiana, had a meeting the other day in Montgomery, Ala. Following the meeting the SCA received a wire from Commissioner McCormack of Tennessee stating that these commissioners are opposed to any contract that violates the statutes pertaining to rebates or discrimination; that rates permitting excessive acquisition costs or distribution of portion of premium to mortgagees require immediate investigation by these insurance commissioners.

Mr. Bennett said that the effort will have to be made to give the commissioners a conception of the set up that will cause them to realize that the contract does not violate the law.

The 20 percent commission that the agent receives from HOLC business is no gift, "nor is it a sinecure paid to them just because they are good fellows or members of an organization."

Mr. Bennett said that the agent should return the commission checks received from the SCA unless he actually performed the service for which the payment is made. The service should consist in calling upon the home owner to ascertain whether the amount of insurance which the HOLC has obtained is the true value of the property; to explain to the home owner that his property is not insured for its actual value unless the amount of his loan balance corresponds to that value, so that the owner may secure additional or other insurance.

Licensing Law Question

Mr. Bennett said that he regrets that what started out to be a discussion of the larger aspects of the licensing law question has now been narrowed to consideration of countersignature provisions only.

He voiced the opinion that a piecemeal arrangement of the subject is unsatisfactory. Statutes should be constructed to deal simply and entirely with the complete duties, functions and obligations of an agent under his license and a corollary of this would be a proper provision by which a foreign insurer may put its insurance contracts into effect in the various states through and by the countersignature process.

There is a definite reluctance on the part of certain companies to refrain from having salaried employees countersign policies where now permitted by law so to do, Mr. Bennett said. Agents are compelled to recognize that there may be circumstances wherein this privilege is convenient and desirable from the company viewpoint, he said. The question remains whether the surrender of this operation entirely would not be better for the business as a whole when measured with the convenience and advantage of a given company. Some progress is being made toward solution of the question, he said.

The **Badger Mutual Fire** of Milwaukee has been licensed in New Jersey.

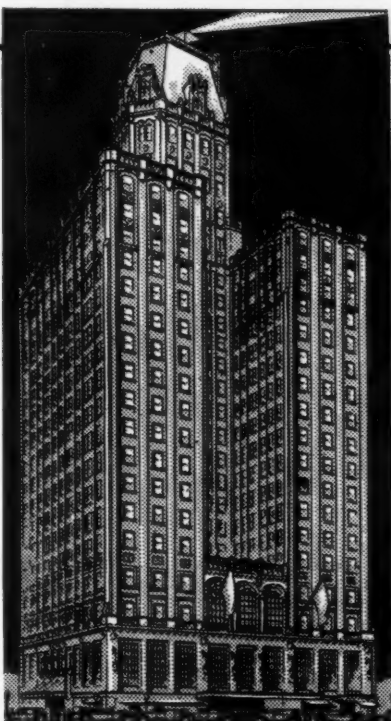
The **Federal** of Jersey City has been licensed in New Brunswick, Canada.

W. U. A. Head Calls for Enthusiasm

(CONTINUED FROM PAGE 5)

someone say or we admit to ourselves that a certain action is not defensible, but it is expedient. Wrong acts are never expedient. They always harm us in the long run. We may think that in one individual case we can wink at the practices and that has very little effect upon the business as a whole. In all probability, few men, who reach that indecisive state of mind and then later yield to pressure to do something they know they should not do, realize how far-reaching such an act may be and usually is."

Usually, when there is such an infraction, the member believes that the incident is known only to some one other man. Actually it becomes fairly common knowledge in a short time and confidence in the man is destroyed in the minds of his fellow members. Frequently that incident is used by other members as a justification of a wrong act on their



.....just an easy day's drive from THE NEW YORK WORLD'S FAIR

Rest up before you hit the Fair! Sleep in one of Maryland's most comfortable beds and start out next morning completely refreshed. 700 rooms, bars serving drinks as you like 'em and restaurants that demonstrate why Maryland is famous for fine food!

RATES FROM \$3.

THE LORD BALTIMORE HOTEL

BALTIMORE

MARYLAND

part. "Thus the snowball grows from a very small thing to a very important thing," he observed.

Infractions of rules, Mr. Smith declared, produce diseases in the business that are malignant. They tend to tear down the organization, bring reproach upon it and bring extreme reproach upon the individual who commits the infraction. A little excess commission on an individual line, a cut rate or too broad form has a far-reaching effect. The business of every member would be benefited if each had confidence that all of the members would observe every obligation that they have. A considerable improvement can be brought about if each member "does a sufficient amount of straight thinking to decide exactly what he wants in the association and then makes up his mind that he will not tear down the ideals that he has through unfair dealing of any kind and that he will give all members the same opportunities that he himself wants."

Criticizes Improper Practices

"We have done nothing to be very proud of when we have taken advantage of the stabilizing influence of the association on other members to buy our business from an agency through paying more commissions, or through cut rates, or through the use of forms that we know would not be used by at least most of the members. Anyone can get business that way." Getting business in this way is a confession of weakness, he said.

"Let us each one adopt principles, then let us have backbone and stamina enough to stand for these principles that must mean equal opportunity to all, fair dealing, justice and equity."

If there are rules of the W. U. A. that the member does not want to observe, then a movement should be started to change them or to abolish them. "It would be much better to abolish or change any rule that we have than to have that rule dishonored by showing that it need not be observed."

Danger of Losing Ideals

"There is a grave danger of our losing our ideals and our ability to orderly conduct our business, too, through nothing but carelessness and thoughtlessness."

"It is a very serious situation if someone can say with justice that one of us took advantage of him when he depended upon us and had a right to depend upon us. It is then a matter of character."

The same principles, Mr. Smith declared, should apply to the individual action of members in so-called unregulated territories. Although the members cannot agree among themselves in such territories that they will take any action, there is nothing to prevent the members from acting individually "according to the principles in which we individually believe."

Speaks of Foreign Insurers

Mr. Smith spoke a word for the United States branches of foreign companies. These companies, he said, have been well managed, have been good members of the W. U. A. and are strong financially. They have a right to look to the W. U. A. and its membership for the stabilizing influence to assist them in overcoming any hysteria that may exist concerning their ability to carry out the obligations that they have under their contracts. Members, he said, should render them every assistance in maintaining the position in the business that is rightfully theirs. "These companies," he said, "were invited to come here at a time when their capacity was badly needed; they came, have been good citizens, and they are entitled to our support in breaking down unwarranted attacks on the part of those who do not know the facts."

Mr. Smith declared that the association should take advantage of every opportunity to increase good feeling towards the W. U. A. on the part of the state local agents associations and to foster better understanding with them. Many of these agents associa-

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Sept. 16, 1940

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	118	122
Aetna Fire	10	1.80*	46	48
Aetna Life	10	1.40*	28	30
Agricultural	25	3.25*	68	71
Amer. Alliance ..	10	1.20*	20 1/2	22
Amer. Equitable ..	5	1.00	17 1/2	19
Amer. Home	10	...	5 1/2	7
Amer. (N. J.) ...	2.50	...	12 1/2	13 1/2
Amer. Surety ...	25	2.50	46	49
Automobile	10	1.40*	36	38
Balt. Amer.	2.50	.40*	7	8
Bankers & Ship. ..	25	5.00	93	97
Boston100	21.00	...	605	620
Camden Fire	5	1.00	19 1/2	21
Carolina	10	1.30	28	30
Contl. Cas.	5	1.20	33	35
Contl. N. Y.	2.50	2.00*	35	37
Fidelity-Phen. ...	2.50	2.00*	35	37
Fire Assn.	10	2.50*	62	65
Firemen's (N.J.) ..	5	.40	8 3/4	9 3/4
Franklin Fire. ...	5	1.40*	27 1/2	29 1/2
Gen. Reinsur. ...	5	2.00	39	41
Georgia Home. ...	10	1.20*	23	26
Glens Falls	5	1.60	40	43
Globe & Repub. ...	5	.50	9	10
Gt. Amer. Fire. ...	5	1.20*	25 1/2	27 1/2
Gt. Amer. Ind. ...	1	.20	9	11
Halifax10	1.00*	...	11 1/2	13
Hanover Fire. ...	10	1.20	25	27
Hartford Fire. ...	10	2.50*	81	84
Hartford S. Boil. ..	10	1.60	52	55
Home Fire Sec. ...	10	...	1 1/2	2
Home (N. Y.) ...	5	1.60*	29	31
Home Indem. ...	3	...	9 1/2	...
Ins. Co. of N. A. ..	10	2.50*	64	66
Maryland Cas. ...	1	...	1 1/2	2
Mass. Bonding. ...	12.50	3.50	61	63
Mer. (N.Y.) Com. ..	5	1.70*	43	46
Natl. Cas.	10	1.00	25	27
Natl. Fire	10	2.00	54	56
Natl. Liberty. ...	2	.40*	7 1/2	8 1/2
New Amst. Cas. ...	2	.75	16	17
New Hampshire ...	10	1.80*	44	46
Northern (N.Y.) ..	12.50	5.00*	96	100
North River ...	2.50	1.00	23	25
N. W. Natl.	25	5.00	116	126
Ohio Cas.	5	1.15*	35	38
Phoenix, Conn. ...	10	3.00*	79	82
Preferred Accl. ...	5	.80	12	13 1/2
Prov. Wash.	10	1.40*	34	36
St. Paul F. & M. ...	62.50	8.00	220	230
Security, Conn. ...	10	1.40	30	32
Sprgfd. F. & M. ...	25	4.75*	113	117
Travelers100	16.00	412	425	...
U. S. Fire.	4	2.00	46	48
U. S. F. & G.	2	1.00	20	21

*Includes extra. **Canadian funds.

Mutual Field Meeting in Pittsburgh

The national convention of "1752" clubs will be held in Pittsburgh Oct. 1, in connection with the Mutual Fire Insurance Institute that is being held there Sept. 30-Oct. 2. A constitution and by-laws will be submitted. Phillip L. Baldwin, editor of the "Mutual Review," will be the principal speaker. There will be a business meeting and election. The "1752" club is an organization of mutual field men. The first such club was organized in Iowa in 1932 and now there are clubs in some 15 states.

tions, he said, look to the W. U. A. for a guiding hand. The association has welcomed this approach. Secretary C. F. Thomas has made several addresses and is frequently in consultation with committees from these associations.

Mr. Smith recalled that he recently accepted an invitation to address the meeting of the Minnesota agents association. He said that the reception that he received as a representative of the W. U. A. was most gratifying. "The members of their association," he said, "seemed glad to be told that we had a friendly feeling toward them and that we were trying to work with them as much as possible." The influence of the W. U. A. on the business as a whole will broaden as it extends friendly and cooperative relationships with organized agents, he asserted.

In his opening remarks he referred to the general situation of the day where under the companies are faced with the threat of the loss of a lot of their employees "and the requirement that we do feats of management that we have never been called upon to do before in keeping our business going and at the same time keeping places open for re-employment of the men who leave us to enter the service of our country." In addition, he said, the companies face new taxes and the continuous threat of increased expense ratios where a reduction rather than an increase is demanded.



hotel metropole

a stopping place modern in every detail, yet maintaining a friendly atmosphere and hearty hospitality • preferred by experienced travelers • dining room • garage adjacent • rooms from \$1.50 • with bath from \$2.50

cincinnati, ohio

RECOGNIZED
FOR HIGH STANDARDS
PROVEN THROUGH THE YEARS

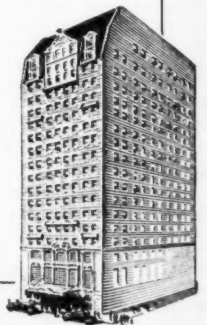
HOTEL ATLANTIC

The constant policy of "better accommodations at lower rates" has won a reputation for the Atlantic, where the traveler finds comfort and service equal to that of cosmopolitan hotels—at the same time enjoying the personal friendliness that a larger hotel cannot give. Main Dining Room; Garden Restaurant; Coffee Shop. Excellent food.

ERNEST C. ROESSLER
FREDERICK C. TEICH
Managing Directors

450 ROOMS
FROM \$2 WITH BATH

CHICAGO
CLARK ST. AT JACKSON BOULEVARD



WHEN YOU'RE IN CINCINNATI

You'll Enjoy Your Stay at the

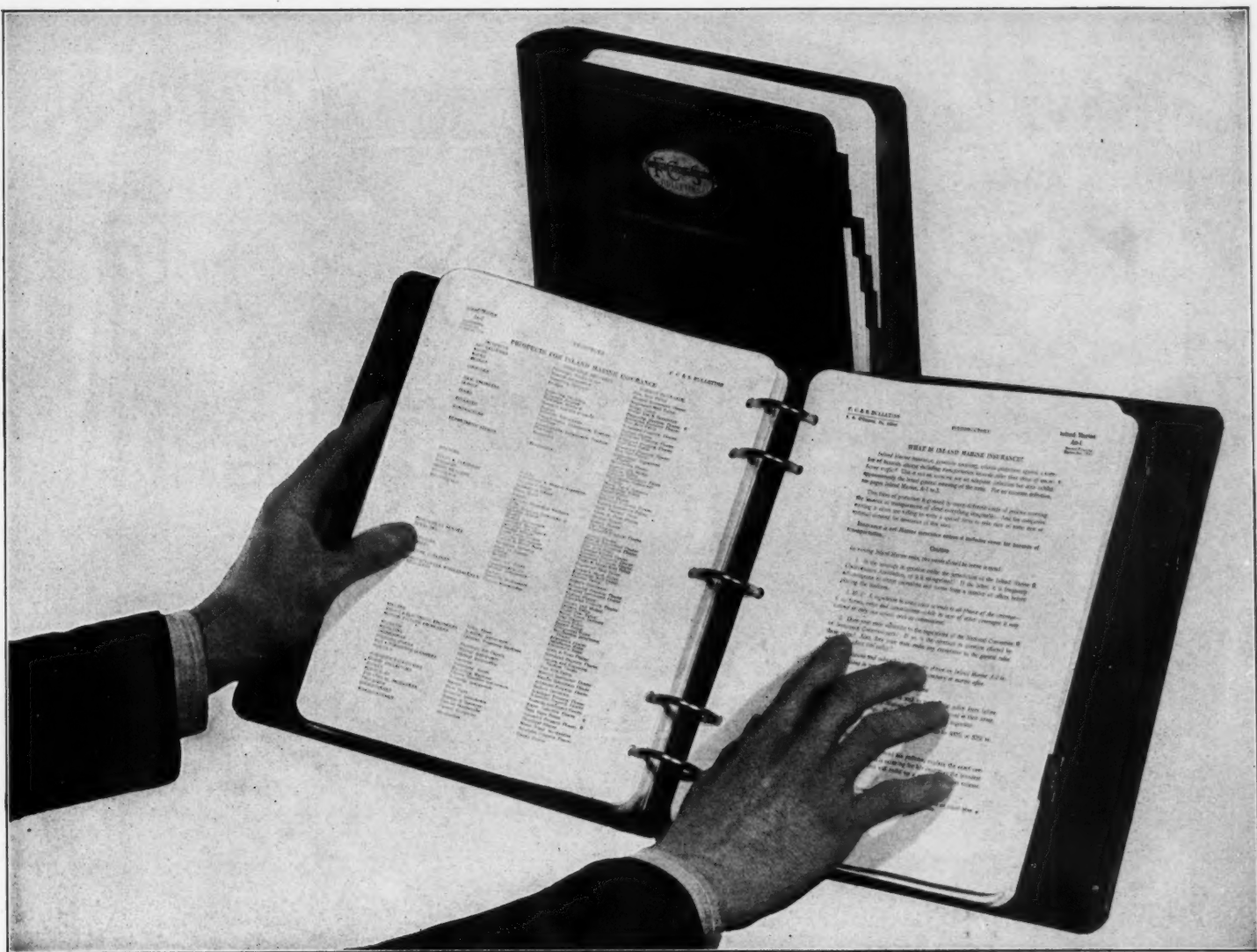
Hotel Sinton

Whether it's business or pleasure, smart travelers always stay at the Hotel Sinton. Spacious rooms, each with shower or bath, 3 famous restaurants, the Circular Bar, and careful, courteous service make your stay at the Sinton, "hotel living" at its best.

SINGLE—\$2.50 to \$5 DOUBLE—\$4 to \$8

John M. Crandall, Managing Director

4th & Vine, Cincinnati, Ohio



At Your Finger Tips—

You can have that accurate sales and underwriting information about Fire—Inland Marine—Casualty—Surety coverages you have so often needed. THE FIRE, CASUALTY AND SURETY BULLETINS will provide you with unbiased, up to date and authoritative answers to your problems.

It is not a study course. It is for reference purposes. Other insurance men, agents and fieldmen, as well as large buyers of insurance in your territory, use this service. These Bulletins are part

of the regular equipment of large as well as small offices. It is the recognized authority.

The service consists of two volumes containing hundreds of pages under the following general division headings: FIRE—INLAND MARINE; Miscellaneous, Fire, Aircraft, Auto, Fire, Fire Forms, U & O, Inland Marine, Windstorm. CASUALTY—SURETY, Aircraft, Auto, Bonds, Burglary, Forgery, Plate Glass, Power Plant, Public Liability, Robbery, Workmen's Compensation, Miscellaneous Casualty, Selling Methods, Collections, Agency Management. At least 24 pages of supplements each month—usually more.

CAN YOU AFFORD TO BE WITHOUT THIS MODERN METHOD OF HAVING ALL VITAL FACTS?

Use of the F C & S Bulletins

*Helps you secure new customers,
Enables you to serve your present clients better,
Helps you make your business competition-proof and
Makes it possible to solicit your business more effectively.
This Service is a business builder and up-to-date practical
encyclopedia of the fire, casualty and surety business.*

**YOUR COMPETITOR SUBSCRIBES
WHY DON'T YOU?**

MAIL THIS APPROVAL ORDER NOW

The National Underwriter Co.
420 E. Fourth Street, Cincinnati, Ohio

Send me the F C & S Bulletins (all past issues, indexes in two binders) on ten days approval without obligation to purchase. At the end of that time I will either return them, or for Bulletins received and one year's subscription send check for \$6.00 and four subsequent payments of \$4.75 each in 1, 3, 6 and 9 months.

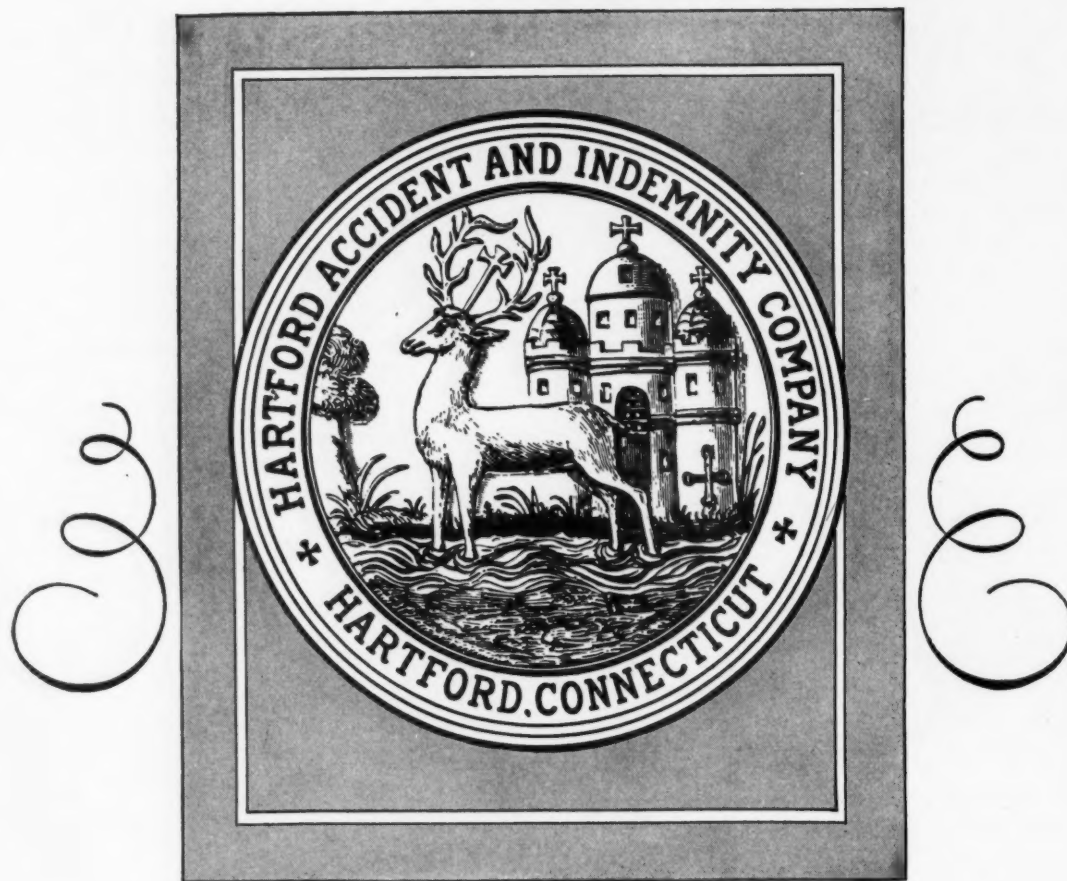
You may continue my subscription beyond one year (at \$4.25 for each three months' Service) until I give you written notice to the contrary.

NAME

TITLECOMPANY.....

STREET

CITYSTATE.....



This trademark is a "seal of certainty" on any casualty insurance policy or surety bond.

Character that Counts

In 1810 the Hartford Fire Insurance Company was organized to protect property owners against loss by fire. Through the years it has steadily increased its protective services to meet the needs of the nation.

Today the "Two Hartfords"—the Hartford Fire Insurance Company and the Hartford Accident and Indemnity Company—write practically every

form of insurance except life. Through all of these one hundred and thirty years the name "Hartford" has stood for strength, stability and sound insurance protection.

Call Western Union (in Canada, call Canadian National Telegraphs) and ask for the name of the nearest Hartford representative. Or see your own insurance broker.

Hartford Accident and Indemnity Company
Hartford Fire Insurance Company

HARTFORD



CONNECTICUT